



Daily Report

China

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General

Spokesman on Murayama Visit, Iran Nuclear Deal

HK2204080095 Beijing CHINA DAILY in English 21 Apr 95 p 1

[By Xu Yang: "Murayama Visit Could Strengthen Friendship"]

[FBIS Transcribed Text] Sino-Japanese relations on the whole are "good," Foreign Ministry spokesman Chen Jian remarked yesterday at a weekly Beijing press conference.

The frequent exchange of visits by leaders of both sides has reinforced ties between the two countries, Chen said.

He was commenting on Japanese Prime Minister Tomichi Murayama's first China visit scheduled early next month.

Chen urged the Japanese Government to seriously reflect upon its past history of aggression, which is a concern of Asian peoples, including the Chinese and Japanese peoples.

"We hope Japan can seize the opportunity (when the world celebrates the 50th anniversary of the end of World War II this year) to renew its commitment to peaceful development," Chen said.

Commenting on the U.S.'s criticism of Sino-Iranian nuclear cooperation, Chen said that the co-operation is for peaceful purposes.

He told the reporters that both China and Iran signed the Nuclear Non-Proliferation Treaty and their co-operation is fully subject to the supervision of the International Atomic Energy Agency.

"Our co-operations are totally in conformity with international laws and unimpeachable," Chen stressed.

Actually, Chen said, the peaceful use of nuclear energy will help achieve nuclear disarmament.

Chen also refuted the allegation that shelters for Chinese fishing vessels in the Meiji Reef of the Nansha Islands have endangered the passage of foreign vessels and aircraft.

"The fishing authorities of China have built wind shelters to protect the Chinese fishermen," Chen said.

Spokesman on 'Futile' U.S. Pressure on Iran

LD1904165695 Tehran IRNA in English 1557 GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19, IRNA—China's Foreign Ministry spokesman here Wednesday termed as futile, Washington's recent decision on tightening sanctions against Tehran and said that the measure will not help the settlement of the existing issues between

the two countries. The Chinese spokesman said that exerting pressure on Iran will not contribute in settling the problems instead it will worsen the tension which China does not like to see.

The Chinese official underlined that the differences among countries could be solved only through negotiation and reciprocal respect to other countries' rights and not through exerting pressure and threat.

Parties Urged To Seek Nuclear Settlement

SK2204061395 Seoul YONHAP in English 0558 GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (YONHAP)—The Chinese Government on Saturday [22 April] urged all the parties concerned to seek a settlement concerning the problems involving North Korean nuclear issue through sincere dialogues and in a prudent manner.

Commenting on the ruptured expert-level talks in Berlin between the United States and North Korea, a Foreign Ministry spokesman made the remarks, noting that the agreed framework in Geneva last October was never an outcome that was attained with ease.

The spokesman maintained that, although there arose some problems in the course of implementing the nuclear agreement, "We hope the parties concerned make constructive and continuous efforts to resolve the nuclear issues."

Chen Jian Addresses Hong Kong Issues

HK2104141195 Beijing ZHONGGUO XINWEN SHE in English 1405 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (CNS)—Spokesman for China's Ministry of Foreign Affairs Chen Jian said this afternoon that the British side should encourage Hong Kong civil servants to contact relevant counterparts in the Mainland so as to ensure the smooth handover of Hong Kong sovereignty.

Chen added that the handover of Hong Kong sovereignty will be carried out between the Chinese and British governments. Any attempts to impose unilateral practices on the future government of the Special Administrative Region (SAR) will be harmful and unworkable.

Chen made the above statement when responding to questions about the New York meeting between the two foreign ministers of China and Britain and to other Hong Kong issue-related questions.

Chen said the Court of Final Appeal (CFA) should be established by strictly implementing the Sino-British Memorandum of Understanding reached in 1991. One-sided action of Britain will breach the Memorandum, and the CFA created in this way will certainly be impossible to exist after 1997. Such a case is what China does not want to happen.

Chen reiterated that both China and Britain are of very importance in the world, and China has all along highly valued its relations with Britain. Under the current circumstances, Chen said, to maintain and develop a cooperative relationship between China and Britain will be good to both sides as well as to the smooth transition of Hong Kong. Chen hoped that some practical moves will be taken by the British side.

U.S. Urges DPRK To Reopen Reactor Talks

OW2104234795 Beijing XINHUA in English 1746 GMT 21 Apr 95

[FBIS Transcribed Text] Washington, April 21 (XINHUA)—U.S. Secretary of State Warren Christopher today urged the Democratic People's Republic of Korea (DPRK) to reopen negotiations with U.S. on the light-water reactor supplier issue.

Christopher, seeking to rescue a landmark nuclear accord signed last October with the DPRK, told reporters that the reactor supplier issue was not an "insoluble problem."

He proposed that the U.S.-DPRK negotiations be upgraded to involve U.S. Assistant Secretary of State Robert Gallucci, and shifted from Berlin to Geneva where the two countries signed the nuclear framework agreement.

Christopher's remarks came only one day after the reactor negotiations between the two countries were broken down in Berlin on Thursday [20 April].

But in Berlin, Kim Chong-u, chief DPRK negotiator, said that the talks had collapsed and he was returning to Pyongyang.

He told reporters that there would be no "high-level talks" in Geneva.

"We think everything that could be discussed in high-level talks has already been discussed and settled," He added.

"The U.S. side is to blame for the rupture, for the breakdown and the rupture of the current talks because of the unreasonable and unrealistic attitude," He stressed.

The Berlin talks were centered on who should supply the DPRK two light-water reactors from which it would be difficult to extract plutonium, a key ingredient for nuclear weapons.

The DPRK has refused the repeated U.S. pressure to accept the South Korean reactors for reasons of technical safety.

UN Suspends Some Sanctions Against Yugoslavia

OW2104234895 Beijing XINHUA in English 2254 GMT 21 Apr 95

[FBIS Transcribed Text] United Nations, April 21 (XINHUA)—The Security Council on Friday [21 April] decided to suspend some sanctions against Yugoslavia for another 75 days.

The vote was 13 to 0 with the Russian Federation and China abstained. Both countries abstained from voting because the draft resolution was a step backward from previous resolutions.

Kozyrev's Remarks on Russians Not 'Ominous'

OW2204041595 Beijing XINHUA in English 0328 GMT 22 Apr 95

[FBIS Transcribed Text] Washington, April 21 (XINHUA)—A U.S. State Department spokesman said today he would not describe as "ominous" Russian Foreign Minister Andrey Kozyrev's warning Tuesday [18 April] that military force would be used to protect ethnic Russians in former Soviet states.

"There may be cases when the use of direct military force will be needed to defend our compatriots abroad," Kozyrev was quoted as telling a conference in Moscow.

State Department spokesman Nicholas Burns said the U.S. has always made it clear to Russia that "respect for the territorial integrity, the sovereignty and the independence of its neighbors is a first-order concern of the United States and indeed of all the international community."

"We have also made clear to all of Russia's neighbors that, given the fact that there are 25 million ethnic Russians who reside in Eurasia beyond Russia's borders, it is also very important that those governments adhere to international principles on the rights of ethnic minorities," Burns said at a briefing.

The U.S. position is that the Russian government has certain responsibilities but neighboring governments have responsibilities towards ethnic Russians as well, he said.

Burns said Kozyrev, in his speech, "had a number of comments to make on this issue, not just the comments that were reported in the Western press."

Asked about his impression of Kozyrev's speech, Burns said, "I wouldn't use the word ominous."

Kozyrev's views have been expressed by Russian leaders for the last three and a half years, Burns said, noting that it is nothing new in their discourse with their neighbors.

Li Sends Message to Asian-African Conference

OW2404030195 Beijing XINHUA in English 0241 GMT 24 Apr 95

[FBIS Transcribed Text] Beijing, April 24 (XINHUA)—Chinese Premier Li Peng has said it is "still of important immediate significance" to carry forward in today's world the spirit of the Asian-African Conference held 40 years ago in Bandung, Indonesia.

Li made the remark in a message of congratulations to the Commemorative Conference marking the 40th Anniversary of the Asian-African Conference scheduled to open in Bandung today.

Li said in the message that the world today is still in the process of profound and complex changes. "Although it is, on the whole, moving towards relaxation, hegemonism and power politics still exist and the world is by no means free from trouble. The people wish to see world peace maintained and economic development promoted."

Describing the Asian-African Conference as "an epoch-making event" in the history of contemporary international relations, the message said the conference "gave expression to the awakening and solidarity of the Asian and African peoples and demonstrated the important role played by developing countries on the international political arena."

"Since then, the Ten Principles set forth in the Final Communique of the Bandung Conference have withstood the vicissitudes of the international situation and played an important role in guiding states to a proper handling of their relations," it noted.

"Inspired by the Bandung spirit, developing countries have waged unyielding struggle to obtain and safeguard national independence, oppose aggression and expansion, maintain world peace, facilitate economic and social development and promote the just cause of human progress, and have won great victory in this regard. The developing countries have become a decisive force in international affairs," the message added.

"The Chinese government has always abided by the Five Principles of Peaceful Coexistence and the Ten Principles of the Bandung Conference. It is ready to join people of the rest of the world in working vigorously for the realization of the basic principles and lofty goals set forth by the Bandung Conference and for world peace and development," it said.

In the message Li also wished the commemorative conference a complete success.

Asian-Pacific Economic Cooperation Urged

HK2404061295 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 2

[By Sun Hong: "Asia-Pacific Co-operation Stressed"]

[FBIS Transcribed Text] China should take a more active part in economic co-operation in the Asia-Pacific region, a senior trade expert asserts.

Zhou Shijian, vice president of the International Trade Research Institute, notes that the strengthened economic links among Asia-Pacific nations and regions in the past years are part of an "inevitable historical trend" as the world's economy becomes multi-polar and regionalized.

Last year, trade with the Asia-Pacific region constituted 80 per cent of China's foreign trade. And among China's 15-largest trade partners, 10 belong to the region.

The Asia-Pacific region also contributed 90 per cent of the overseas investment China received last year.

With one-third of the region's land and half of its population China should take an active part in promoting regional economic co-operation, Zhou said.

"This will help China keep a steady and friendly relationship with its neighbouring countries which guarantees a safe environment for China's national economic development," he said.

"It will also benefit China's entrance into WTO (World Trade Organization)."

Last November, during a summit meeting in Indonesia, members of the Asia-Pacific region agreed that China should gradually achieve free trade and investment as a developing country.

To further give an impetus to such co-operation, Zhou suggested promoting the development of inner co-operation in the so-called "China economic area" (CEA) as the first step.

CEA refers to the Chinese mainland, Taiwan, Hong Kong and Macao.

Last year, Hong Kong became the second-largest trade partner of the mainland; Taiwan was fourth.

By the end of last year, investment by the two constituted 70 per cent of the overseas capital absorbed by the mainland.

"By the year 2020, the CEA's economic power is likely to match that of the present European Union or the North American Free Trade Agreement region," Zhou said.

In 1993, CEA's trade volume reached \$636 billion—for the first time exceeding that of Japan and becoming the third-largest world trader.

The figure grew to \$726 billion last year, approaching Germany's \$785 billion; it was equal to 62 per cent of the U.S.' foreign trade volume.

Trade between CEA and the United States hit \$113 billion last year, making CEA the third-largest trade partner of the United States.

Zhou also advocated stronger economic links with the Association of Southeast Asian Nations (Asean) and the Republic of Korea (ROK)—"two of China's key trade partners and investors in recent years."

United States & Canada

Qian Qichen Leaves New York for Home

OW2104145495 Beijing XINHUA Domestic Service in Chinese 1547 GMT 20 Apr 95

[By reporter Gao Jianxin (7559 1696 2450)]

[FBIS Translated Text] New York, 20 Apr (XINHUA)—Qian Qichen, vice premier of the Chinese State Council and minister of foreign affairs, left New York for home on 20 April.

Qian Qichen and members of his delegation arrived at UN Headquarters in New York on 16 April to attend the UN meeting on discussing and extending the Nuclear Nonproliferation Treaty [NPT]. On 18 April, Qian Qichen delivered a speech at the meeting to fully explain China's views and stand on nuclear disarmament.

During his stay in New York, Qian Qichen met with Warren Christopher, U.S. secretary of state; Hans Van Mierlo, vice prime minister and minister of foreign affairs of the Netherlands; Hennadiy Udovenko, Ukrainian minister of foreign affairs; Jose Angel Curria Trevino, secretary of foreign relations of Mexico; Yohei Kono, deputy prime minister and minister of foreign affairs of Japan; Douglas Hurd, secretary of state for foreign and commonwealth affairs; and Bjorn Tore Godal, minister of foreign affairs of Norway.

Oklahoma Car Bomb Attack Discussed

Beijing TV on Incident

OW2104130495

[FBIS Editorial Report] Beijing Central Television Program One Network in Mandarin at 0530 GMT on 21 April carries, in its "Focus Time" program, a 10-minute report on the 19 April car bomb explosion in front of the Alfred Murrah Federal Building in Oklahoma City. The video begins with a shot showing the caption "Focus Time" and then cuts to a close-up of the host of the program, who is identified by a caption as Shui Junyi (3055 0971 4135). Shui begins his program by saying, "In the minds of many people, the majority of incidents involving terrorist attacks, especially car bomb incidents, have happened in cities in relatively turbulent regions, such as Beirut in the Middle East. However, on the afternoon of 19 April, a car bomb exploded outside a federal government building in Oklahoma City. As of now, more than 30 people have been killed and nearly 300 injured. In addition, a few hundred people are missing."

At 0531 GMT, video shows a front view of the badly damaged federal building and shots of smoke rising from the building and of firefighters putting out fires and helping evacuate victims. Video also shows an unidentified reporter's interview with a female survivor, a male eyewitness, an injured male survivor, and another female survivor who was not injured.

At 0533 GMT, program host Shui Junyi conducts a transpacific interview with reporter Hu Yang, who, according to Shui, is studying in the United States and is living in a city not far from Oklahoma City. Hu Yang reports: Compared with the east coast of the United States, Oklahoma is not a particularly developed region.

The United States has sent troops, helicopters, and even robots to Oklahoma City to take part in rescue work. The FBI has sent first-class investigation experts from New York, Washington, and Boston to the city. They rushed to the scene in a few hours' time. A U.S. report from yesterday afternoon says that three suspects have been arrested, one of whom is between 25 and 30, and another one is 40 years old; both have black hair. The third is a driver. U.S. news media are devoting great attention to reporting the bombing incident. "A few hours after the incident, that is, in the afternoon of 19 April local time, U.S. President Clinton said at a White House news conference that this was an attack against innocent children and U.S. citizens. He also said that the U.S. Government will never let the killers go unpunished." As Hu Yang speaks through the phone, video again shows scenes of the badly damaged federal building, firefighters putting out fires, and rescue workers evacuating victims from the building. It also shows a close-up of President Clinton speaking at a news conference.

At 0335 GMT, a female reporter, identified by the caption as Hu Xiangqun, interviews Wei Guoqiang (7614 0948 1730), who, according to a caption on the screen, is an expert on U.S. issues. In response to her question about the Oklahoma bombing, Wei says: "I think this explosion is not an isolated incident. There is something going on behind the scenes. Of course, the FBI is investigating the incident, and details are not yet clear, but from what has happened, we can guess the following: First, the building destroyed by the explosion is not a building of the state government, but a federal government office in Oklahoma State. The nine-story building was completely destroyed. A magnetic bomb was used, which contained between 1,000 and 2,000 pounds of explosives, or between one and two tonnes of explosives. It would be hard to believe that was this done by an individual. Therefore, I feel that this is an organized act. The fact that the terrorist organization has chosen Oklahoma City has something to do with the comparatively lax security in the locality." As Wei Guoqiang speaks, video focuses on the damaged federal building and pans to show an aerial view of Oklahoma City.

At 0337 GMT, in response to reporter Hu Xiangqun's question if the Oklahoma bombing is connected with the explosion at the U.S. World Trade Center in 1993, Wei Guoqiang says, "I think there is a connection between these explosion incidents, because after investigation, three Arab people involved in the explosion at the World Trade Center were arrested. Moreover, investigations show that the incident was connected with some of the extremist terrorist organizations in the Arab world. The Oklahoma bombing is still under investigation. The FBI has said that it believes, after analyzing reports received from various quarters, that the bombing was carried out by the three people with Middle Eastern attributes. However, there is a lack of further evidence to claim the bombing was done by the three. Nevertheless, judging from what happened at the World Trade Center and

from similar bombing incidents by extremist terrorist organizations in the Middle East, these two incidents are somehow connected."

At 0540 GMT, the report concludes with Shui Junyi saying, "The bombing incident has shocked all Americans. One of our U.S.-based reporters has told us that Americans in his vicinity, who are normally unconcerned about current events, have reacted strongly to the incident."

Column on Global Impact

HK2404110895 Hong Kong TA KUNG PAO in Chinese
21 Apr 95 p a4

["Political talk" column by Shih Chun-yu (2457 0689 3768): "Guard Against High Tide of Neo-Terrorism"]

[FBIS Translated Text] The major explosion in Oklahoma City once again reminds us that terrorism has not gone away but is reemerging in a new form. It is launching attacks where people would never expect.

Terrorist Incidents Occur One After Another

Several world-shocking terrorist attacks have occurred in just four months this year, including the poisonous gas incident in the Tokyo Subway, the guerrilla's "city massacre" in Mindanao in the Philippines, and a chain of explosions in the Gaza Strip and Israel.

On the same day that the major explosion occurred in Oklahoma City, another poisonous gas incident occurred at Japan's Yokohama Railway Station, wounding as many as 645 persons. Although the attack was different from Tokyo's poisonous gas (suspected to be sarin) incident, in that they did not use phosgene, as the police had announced earlier, it does seem to have been an intentional act. The car bombing in Madrid, Spain, however, was aimed at "buying lives." Yesterday, an explosion also occurred in Greece. The succession of terrorist incidents is similar to the situation when terrorism peaked in the 1970's.

People seem to be very used to the terrorist attacks continually launched by Hamas, the radical Palestinian organization. The major explosion in Oklahoma, however, has not only shocked the United States but has also given the world a start.

The Oklahoma Incident Has a Huge Impact

The State of Oklahoma is located in the middle of the United States and borders Texas to the north. It is not a very developed state whose major economic sectors are mining, agriculture, and animal husbandry. Calculated in terms of per capita output value, Oklahoma is in the lower middle level. It has a population of merely three million. Oklahoma City, the state capital, only has a population of 450,000, who used to live peacefully. The most noteworthy aspect of the state's population composition is the Indian population, which is the largest of all U.S. states. The terrorist attack in such a place, in which

people were wantonly killed with half a ton of explosives, has a greater impact on the U.S. general public than bombings like that which struck the World Trade Center in New York. It will sweep away the remnants of the Americans' sense of security.

Since the Tokyo poisonous gas incident a month ago, the Japanese media have unanimously cried out in alarm: Japan, the safest of all countries in the world, is no longer safe. This statement is of course a little exaggeration, but people are certainly scared. That the Japanese police mistakenly announced that the poisonous gas at the Yokohama Railway Station was phosgene, which was used by Nazi Germany during the Second World War, served as a good example of how nervous they are in their response to the Aum Shinri Kyo cult.

Racism and Religion

The Oklahoma City situation is similar to that in Tokyo. On an otherwise peaceful day, such a serious disaster wiped out the people's sense of security. As far as America as a whole is concerned, Americans never thought that terrorists would choose Oklahoma City. Where is the safe haven for Americans who have lost gun control and have been hit with mounting crime?

In the 1970's, at the height of international terrorism, terrorism had a political background and was aimed at achieving particular political objectives. Today, terrorism is characterized by nationalism and religious fanaticism. All the terrorist attacks that have occurred so far this year carry these two characteristics. Japan's Aum Shinri Kyo's apocalyptic statements; for example, include exaggerated foreign aggressions.

There is another characteristic: The scale of the attacks is far greater than all previous ones. In the preceding wave of terrorism, terrorists primarily used guns and small bombs. Today, they do not seem to like using guns. They prefer large bombs, poisonous gas, and poisons (as in the case of the Temple of the People cult). Moreover, they do not hesitate about killing large numbers of people with vague objectives in mind. Therefore, it is necessary to conduct broader international cooperation.

Editorial on Ultra-Rightists

HK2404103795 Hong Kong TA KUNG PAO in Chinese
24 Apr 95 p A2

[Editorial: "Ultra-Rightist Forces Gaining Ground in the United States"]

[FBIS Translated Text] The Federal Bureau of Investigation [FBI] announced yesterday the arrest of another suspect, also an ex-serviceman, in California for his involvement in the Oklahoma blast, which rocked the world. Twenty-seven-year-old Timothy McVeigh, who was arrested first, appeared before the magistrate the day before yesterday [22 Apr]. So far, the FBI believes that there are at least four persons involved in the blast and they have all been arrested. The other two, Terry and

Nichols, are brothers. There are probably more complicated background and extremist groups behind these four men which remain to be further investigated by the police. To date, however, it has been proven that the blast has nothing to do with the anti-U.S. and anti-Israeli radical muslims in the Middle East as earlier conjectured. Instead, it is related to the new extreme right-wing forces in the United States. Besides Oklahoma, these forces have spread to other areas. This is a new change which merits the attention of the U.S. community.

McVeigh, who had participated in the Gulf war, is hostile toward the government. The blast took place on 19 April, the second anniversary of the incident in which more than 80 disciples committed suicide when armed policemen stormed the branch of a religious cult in Waco, Texas after surrounding them for over 50 days. Following the tragedy, public opinion blamed the crude siege conducted by the armed police. President Clinton also acknowledged that he would take responsibility for the event. The matter is still not over today, two years later, and it has become a new factor stimulating the growth of new extreme right-wing forces.

The "militia" is a nongovernmental secret armed force composed of ultra-rightists. According to an FBI official, one of these organizations, called the "Michigan Militia," was set up last spring under the leadership of a retired air force official. Within the short period of only a year, it claims to have 12,000 members and branches in 70 out of the 83 counties in Michigan. Dressed in camouflage uniforms designed for the special forces, the members receive military training. They are enraged at the government for its control over arms, believing that the government's restrictions over arms possessed by the people constitute an encroachment of the rights of the people.

The establishment of the "Michigan Militia" immediately became the "pioneer" of the "militia" movement nationwide. Rightist forces in other localities also followed suit. This will become a dangerous trend and it will move the United States in a conservative and rightist direction, excluding other races. By making use of U.S. economic depression and employment problems, the extreme right-wing forces pushed Congress to legislate on excluding foreign migrants and establishing a society in which "the whites are superior."

After World War II, a pro-Nazi movement emerged in the United States as early as the 1950's. Because of the losses caused by blacks in the Watts riots, the white community in Los Angeles launched a movement to refuse to pay taxes in the 1960's. In the latter half of the 1970's, white racial forces gained ground and the Ku Klux Klan saw a revival.

Thanks to the multi-racial community in the United States created by the large number of immigrants, the whites which belong to the vested interest group have become increasingly arrogant. The equality of all nationalities and the freedom flaunted by the United States

became nothing more than empty talk and racial riots and discrimination and the deterioration of social order worsened the spread of arms among the people.

The Clinton administration's move to exercise control over arms for the sake of rectifying the social order again became an excuse for the extreme rightists to oppose the government. The Brady Bill on exercising control over arms possessed by the people, which came into effect last year, was described by the rightists as a move by the government to seize the arms owned by the people in an attempt to set up an autocratic regime. To the extreme rightist organizations, the religious cult incident in Waco, Texas was a challenge by the FBI against the rights of the inhabitants. The extreme rightists also oppose the peace-keeping role played by the United Nations, believing that U.S. taxpayers' money is being used to do things that are disadvantageous to the United States. They have no trust in the United Nations.

At the hearing, McVeigh, who claimed to be a "mad bomber," said that he would either act out his revenge against the government or cause casualties. It was this abnormal mentality which compelled him and his collaborators to brutally use heavy explosives to kill his own compatriots in cold blood.

The difference between the new extreme rightists and those of the past is that they are using the terrorist tactics of killing and sabotage to express their disagreement with the government. This represents the further aggravation of the morbid side of U.S. society.

The terrible consequence of the blast, set off by the extreme right-wing terrorist forces to shock the world, is that it will make people who are unhappy with the current situation go mad and will drive them to adopt every possible means to go to extremes just to express their grievances.

The United States will have to deal with sabotage by the extremists from the Middle East and other religious sects as well as the anti-government terrorist forces at home. Because of the deterioration of racial discrimination and the social order, there will be no safe havens in the United States. The future is by no means bright.

Beijing Hosts Sino-Canadian Resources Workshop

OW2404092895 Beijing XINHUA in English 0905 GMT 24 Apr 95

[FBIS Transcribed Text] Beijing, April 24 (XINHUA)—Some 70 Chinese and Canadian experts discussed advanced technology for resources development and environmental enhancement at a Sino-Canadian workshop here today.

The five-day workshop is aimed at creating a bridge for co-operation between China and Canada which will facilitate the research and application of advanced technologies in the fields of sustainable utilization of resources and environmental enhancement.

Xu Guanhua, vice-chairman of the State Science and Technology Commission said that China and Canada have made great efforts in rational utilization of resources and environmental protection for a long time and have accumulated rich experience.

He said that Canadian government, academic and industrial bodies have accumulated rich experience in how to use advanced technologies in the field of sustainable utilization of resources and environmental protection. Their experience in operation mechanism and management of advanced technology transfer is particularly applicable to China.

In addition, aiming to introduce new operation mechanisms, research management and advanced technology applications from Canada, the National Natural Sciences Foundation of China and Chinese Academy of Sciences, and the Center for Cold Ocean Resources Engineering of Canada plan to establish a joint research center known as the Sino-Canadian High-Tech Center of Resources and the Environment.

Northeast Asia

Further Reportage on Qiao Shi's ROK Visit

Ambassador to ROK Fetes Qiao

OW2204123195 Beijing XINHUA Domestic Service in Chinese 1454 GMT 19 Apr 95

[By reporters Tang Shufu (3282 3055 1381) and Zhang Zhongyi (1728 1813 5030)]

[FBIS Translated Text] Seoul—19 Apr (XINHUA)—Chinese Ambassador to the Republic of Korea [ROK] Zhang Tingyuan held a reception at Xinluo [name as transliterated] Hotel here on the evening of 19 April in honor of Chairman Qiao Shi, who is on an official visit to the ROK. Zhang said at the reception that Chairman Qiao Shi has entered the third day of his successful ROK visit.

Attending the reception were noted figures from Korean political circles, including National Assembly Speaker Hwang Nak-chu, Foreign Minister Kong Ro-myong, Trade and Industry Minister Pak Chae-yun, National Defense Minister Yi Yang-hao, former National Assembly Speaker Yi Man-sop, and former Prime Ministers Hyon Sung-chong and Yi Hoe-chang.

Prior to the reception, Qiao met Chinese Embassy staff and representatives of Chinese organizations in the ROK, students, and overseas Chinese and posed for group photographs with them. He encouraged them to continue working hard.

He arrived here on 17 April for a six-day official goodwill visit to the ROK at the invitation of National Assembly Speaker Hwang Nak-chu. He will leave Seoul for other cities on 20 April.

Qiao Shi Ends Visit, Departs

OW2204073895 Beijing XINHUA in English 0720 GMT 22 Apr 95

[FBIS Transcribed Text] Cheju Island, South Korea, April 22 (XINHUA)—Qiao Shi, Chairman of the Standing Committee of the National People's Congress (NPC) of China, left here this afternoon for home at the end of a six-day official visit to South Korea.

During his visit, Qiao called on South Korean President Kim Yong-sam and met with National Assembly Speaker Hwang Nak-chu and Prime Minister Yi Hong-ku as well as other leaders of the political circle and large economic organizations.

Besides, he also toured some well-known industrial enterprises such as Samsung Electronics and Hyundai Heavy Industries.

In a message to Hwang Nak-chu before his departure here, Qiao expressed his thanks to the South Korean National Assembly and people for the warm welcome and lavish hospitality accorded him during his visit.

He said that he is satisfied with the visit through which the two countries have enhanced their understanding and friendship.

Qiao arrived in Seoul on Monday at Hwang's invitation after concluding his visit to Japan. This is the first visit to South Korea by Chinese NPC chairman since the two countries established diplomatic relations in August 1992.

Southeast Asia & Pacific

Wu Bangguo Meets Lao Social Welfare Minister

OW2404101795 Beijing XINHUA in English 0917 GMT 24 Apr 95

[FBIS Transcribed Text] Beijing, April 24 (XINHUA)—Chinese Vice-Premier Wu Bangguo met with Thongloun Siloulit, minister of Labor and Social Welfare of Laos, and his party here this afternoon.

Thongloun and his party are here on a visit as guests of the Chinese Ministry of Labor.

Marshall Islands' President Arrives

Begins Six-Day Visit

OW2104142495 Beijing XINHUA in English 1401 GMT 21 Apr 95

[FBIS Transcribed Text] Shanghai, April 21 (XINHUA)—President Amata Kabua of the Republic of the Marshall Islands arrived here this evening for a six-day official visit to China.

Kabua is here on his fourth visit to China, at the invitation of Chinese President Jiang Zemin.

Deputy Mayor of Shanghai Jiang Yiren headed the party greeting the Marshall Islands guests at the airport. Two Chinese children presented flowers to Kabua and his wife.

In the evening, Kabua and his party toured downtown Shanghai.

Tours Rural Enterprises

*OW2204100695 Beijing XINHUA in English 0938
GMT 22 Apr 95*

[FBIS Transcribed Text] Shanghai, April 22 (XINHUA)—President Amata Kabua of the Republic of the Marshall Islands, who arrived in Shanghai last night for a six-day official visit to China, visited rural enterprises here this morning.

Mayor Xu Kuangdi of Shanghai met with President Kabua and his party at noon today. While extending welcome to Kabua's second trip to Shanghai, Xu briefed the Marshall visitors on the economic situation of the city. Kabua said that during the visit this morning he was deeply impressed by Shanghai's rapid economic development and the successful experience of the city will be beneficial to his country. The Republic of the Marshall Islands, he said, will further its ties with China.

This afternoon, the Marshall guests left here for Suzhou, a scenic city in Jiangsu Province. They are scheduled to tour Nanjing, capital city of the province, before going to Beijing.

Thai Visitors Meet NPC Officials

Meet Foreign Affairs Chairman

*OW2204100595 Beijing XINHUA in English 0939
GMT 22 Apr 95*

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—Zhu Liang, chairman of the Foreign Affairs Committee of the National People's Congress, met here this afternoon with Suthin Nophaket, chairman of the Foreign Affairs Committee of the Thai House of Representatives.

The Thai guests arrived here today for a stop-over visit to China following their visit to the Democratic People's Republic of Korea.

Meet Qian Qichen

*OW2404082195 Beijing XINHUA in English 0734
GMT 24 Apr 95*

[FBIS Transcribed Text] Beijing, April 24 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met Suthin Nophaket, chairman of the standing committee for foreign affairs of Thailand's House of Representatives here this morning.

During the meeting, Qian said, Sino-Thai relations have been constantly developed since the two countries established diplomatic relations over 20 years ago. The Chinese government wishes to see the friendly bilateral ties further promoted on the basis of successful past cooperation.

The foreign minister expressed his belief that the current visit by the Thai guests will help enhance cooperation and exchanges between the parliaments of the two countries. He stressed that friendly cooperation between China and Thailand is beneficial to peace, stability and development of the region.

Suthin Nophaket said, the purpose of the visit by the Thai delegation is to just further promote the friendly ties of the two countries.

Ni Zhifu, vice-chairman of the Standing Committee of the National People's Congress (NPC), also met the Thai guests this morning.

The Thai delegation arrived in Beijing on April 22 at the invitation of NPC's Foreign Affairs Committee. On the day of their arrival, Zhu Liang, chairman of NPC's Foreign Affairs Committee, met with the Thai guests.

Near East & South Asia

Wang Guangying Meets Arab Artist President

*OW2204091795 Beijing XINHUA in English 0824
GMT 22 Apr 95*

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—Wang Guangying, vice-chairman of the Standing Committee of the National People's Congress, met with Saad Eldin Wahba [name as received], president of the Federation of Arab Artists in the People's Great Hall here today, and had a cordial and friendly talk with them. [sentence as received]

Wahba came to China on April 12 at the invitation of the China Federation of Literary and Art Circles (CFLAC).

On the second day of his arrival, Wahba signed a culture and art cooperation and exchange agreement for 1996-1999 with Li Ying, vice chairman of CFLAC.

'Transfer' of Nuclear Device to Iran Cited

*HK2104140695 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1043 GMT 21 Apr 95*

[FBIS Translated Text] Beijing, 21 Apr (ZHONGGUO TONGXUN SHE)—According to a report in ZHONGGUO HEGONGYE BAO [China Nuclear Industry News—0022 0948 2702 1562 2814 1032], the HT-6B Tokamak, an installation turned over by the Institute of Plasma Physics of the Chinese Academy of Sciences [CAS] to Ahjad [a zha de 7093 2089 1795] University in Tehran, Iran, recently was able to proceed successfully with an electromagnetic discharge [fang dian 2397 7193], with the time of the discharge lasting about

20 milliseconds. This success is an important landmark for China's nuclear fusion technology, on its way to reaching international standards.

The CAS Institute of Plasma Physics has been dubbed by the World Laboratory as the "Third World Research Center of Nuclear Fusion." The HT-6B Tokamak in question was a small nuclear fusion research installation designed and made by the institute entirely on its own resources in the mid-1980's. The installation has been in service for close to 10 years. To assist Third World countries in developing nuclear fusion research technology, the institute signed an accord with Iran's Ahjad University in February 1993 to transfer an HT-6B to the university. In 1994, China sent teams of scientists and technologists to Iran on two different occasions to assist it with installation, fine-tuning, and testing.

Huang Ju Meets Israeli Labor Party Official

OW2104140395 Beijing XINHUA in English 1347
GMT 21 Apr 95

[FBIS Transcribed Text] Shanghai, April 21 (XINHUA)—Huang Ju, a member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with Israeli Labor Party General Secretary Nissim Zvili and his party here today.

The Israeli guests arrived in China on April 18 at the CPC's invitation.

During today's meeting, the two sides exchanged views on relations between the CPC and the Israeli Labor Party, and issues of mutual concern.

Huang, also secretary of the CPC's Shanghai Municipal Committee, outlined to Zvili progress in the city's reform and opening up efforts.

Zvili said he hoped for increased friendly co-operation between his country and Shanghai.

During their stay here, the Israeli visitors toured the Baoshan Steel Works Group and the Pudong New Area, and went sightseeing on the Huangpu River.

Nepalese Prime Minister Leaves for Ulaanbaatar

OW2204064895 Beijing XINHUA in English 0628
GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—Nepalese Prime Minister Man Mohan Adhikari left here for Mongolia by plane this morning.

Adhikari, who concluded his official goodwill visit to China Friday [21 April], had to stay an extra day in Beijing due to bad weather in Ulaanbaatar.

The Nepalese prime minister started his visit to China on April 17 at the invitation of Chinese Premier Li Peng.

Trade Group Concludes 'Successful' Syrian Visit

OW2304004795 Beijing XINHUA in English 2020
GMT 22 Apr 95

[FBIS Transcribed Text] Damascus, April 22 (XINHUA)—A Chinese government economic and trade delegation headed by Deputy Minister of Foreign Trade and Economic Cooperation Liu Shancai left here this evening after a five-day visit to Syria.

During their stay in Syria, the Chinese delegation held talks with Syrian Prime Minister Mahmud al-Zu'bi and Deputy Prime Minister for Economic Affairs Salim Yasin on ways of developing trade and economic cooperation between the two countries.

Meanwhile, the first session of Sino-Syrian Joint Committee for Economic and Industrial Cooperation was also held to discuss further diversifying bilateral trade exchange and boosting ties in the fields of agriculture, industry and transport.

Before leaving Damascus, the Chinese deputy minister told XINHUA that his visit to Syria was very successful and that both the Chinese and Syrian sides showed a strong wish to develop trade and economic relations between the two countries.

He pointed out that the volume of trade between China and Syria rose from 123 million U.S. dollars worth in 1993 to 170 million dollars in 1994.

Liu expressed optimism about the prospects of Sino-Syrian cooperation in the future.

Yemen Announces Plan To Strengthen Cooperation

OW2304234895 Beijing XINHUA in English 2053
GMT 23 Apr 95

[FBIS Transcribed Text] Sanaa, April 23 (XINHUA)—Yemeni Minister of Fisheries 'Abd-al-Rahman Ba-Fadi said in a news conference here today that his country will strengthen cooperation with China in exploiting the fishing resources.

The Yemeni Minister paid a visit to China late last March where he signed an agreement on cooperation between the Yemeni Ministry of Fisheries and a Chinese national marine products corporation.

Under the agreement, the Chinese corporation will send four fishing boats within 60 days to operate in the Yemeni waters, and the number of Chinese boats there will reach 20 one year later, said the Yemeni minister.

In return, the Yemeni side will obtain its share in hard currency.

The agreement, he added, further stipulates that the Chinese party will build factories for producing fishing nets, rope, boats and other fishing necessities in Yemen.

Under the agreement, the Chinese side is also required to provide Yemen with two advanced patrol boats to strengthen the country's naval administrative capabilities.

Yemen has a coastal line of some 2,500 kilometers. The minister called upon more world countries to put investments in the Yemeni fishing resources, whether in the field of fishing, manufacture or marketing.

Yemen is currently implementing a comprehensive economic reform program, and is paying particular attention to the growth of domestic production, foremost among which is the agricultural and marine products industries.

Mauritania To Receive \$180,000 in Aid

HK2404060895 Beijing CHINA DAILY in English 21 Apr 95 p 5

[By Gao Bianhua: "China To Support Mauritania"]

[FBIS Transcribed Text] China is to provide \$180,000 in economic aid to Mauritania in a deal signed yesterday in Beijing.

Documents were signed by Sun Zhenyu, Vice-Minister of Chinese Ministry of Foreign Trade and Economic Co-operation (Moftec), and the visiting Mauritania Trade Minister Diagana Moussa.

Moussa led an eight-strong economic and trade delegation to China on Wednesday on the invitation of Moftec.

"I believe the visit will further promote bilateral economic and trade relations," Moussa said during the talk with Sun before the signing ceremony.

He added that the contact between Mauritanian entrepreneurs who came to China with him and their Chinese counterparts will make Sino-Mauritanian economic co-operation more concrete.

Sun told Moussa that "the Chinese Government has been attaching importance to bilateral trade development. China will steadily strengthen and expand economic co-operation with Mauritania."

Last year, trade volume between the two countries reached \$31.62 million and China's exports accounted for a larger part, according to Moftec statistics.

China's major export products to the Northwest African country were tea and textiles while Mauritania exported iron ore and fishery products to China.

Sun said that China will make efforts to balance the trade, especially by diversifying the products exchanged between the two countries.

Moftec will encourage Chinese companies to import more Mauritanian products apart from the traditional ones. And it will also study the possibility to increase China's exports variety, Sun said.

West Europe

Reportage on EC's Brittan, WTO Membership

China 'Shooting' Self in Foot

HK2304073295 Hong Kong AFP in English 0452 GMT 23 Apr 95

[FBIS Transcribed Text] Beijing, April 23 (AFP)—China is shooting itself in the foot with trade restrictions, European Commission Vice President Leon Brittan said here Sunday, stressing that Beijing should not view their removal as a concession.

The lifting of import-export restrictions "is something which is for the benefit of China as much as for the European Union [EU]," Brittan told a news conference at the end of a six-day China tour.

Brittan's visit, which included a trip to the inland provinces of Sichuan and Hebei, focused on promoting market access for European businesses in China, as well as the thorny issue of China's re-entry to the World Trade Organisation (WTO).

Maintaining high import tariffs and confining the right to distribute European goods to state-owned monopolies is "something that is holding back the Chinese economy and not protecting it," Brittan said.

While reiterating EU support for China's WTO membership, Brittan stressed that "real progress" had to be made and urged China to accept basic obligations required by WTO regulations.

"Doing what is necessary to join the WTO does not involve concessions for China, but rather involves reinforcing China's economic reform programme."

The WTO question was a main item on the agenda during Brittan's meetings with vice premier in charge of the economy, Zhu Rongji, and senior foreign trade ministry officials.

China's chief negotiator on the WTO and assistant minister of foreign trade, Long Yongtu, accompanied Brittan on his tour of Sichuan and Hebei, and the two had several rounds of informal talks.

China broke off working talks on its membership last year, following disagreement with the United States over various issues, especially Washington's refusal to accede to China's request that it be granted developing country status in the global trade body.

Brittan said the EU and the United States agreed that some obligations regarding China's membership could be waived temporarily, but indicated that Europe and Washington had separate agendas to follow with Beijing.

"When it comes to the detailed negotiations, obviously there will be particular points that each of us stress."

Brittan, who has criticised the "imbalance" in the treatment China gives to U.S. and European businesses, said he was "more convinced than ever" that Beijing realised the importance of its trade ties with the EU.

"I stressed that it is in China's interests to treat Europe as a world partner of equal importance to the U.S.," Brittan said, reiterating that a recent Sino-U.S. intellectual property rights accord also covered EU member states.

Brittan said he hoped an upcoming EU strategy paper on China would encourage European businesses to be "more active" here, and stressed the potential of China's inland provinces as well as the more developed coastal regions.

Brittan visited the site of the massive Three Gorges Dam on the Yangtze River, but confirmed that China had made no approach for European participation in what is the largest hydro-electric project in the world.

Brittan Hopes for Closer Ties

OW2304132395 Beijing XINHUA in English 1251 GMT 23 Apr 95

[FBIS Transcribed Text] Beijing, April 23 (XINHUA)—An European Commission (EC) leader Leon Brittan said here today that his China visit has left him more confidence than ever before that China wishes to see Europe's more involvement in its economy and greater support to its economic reform.

This is a message that he will take home after his discussions with Chinese officials in Beijing and other parts of China, said Brittan, vice-chairman of the EC, at a press conference here at the end of his third visit to China.

After talking with the regional and national officials in China, he said he also believed that China is increasingly seeing the relevance of the uniting Europe to its own future relations with outside world and seeing that the Europe's integration is a real concept with which China has to deal in its current or future international relations.

He said one of the subjects that he has discussed with Chinese officials in Beijing and in the provinces of Sichuan and Hubei has been the question of China's membership of the World Trade Organization (WTO).

Brittan said the EC has always supported China's entry into the WTO. During the discussions, he said, he had been able to explain that the removal of China's import and export restrictions is something which is beneficial to China and the European Union (EU).

He said he believed that doing what is necessary to join the WTO does not involve the concession for China, but rather involve in reinforcing its economic reform program.

Brittan believed that it is China's interest to treat Europe as a world partner of equal importance to the United States.

He expressed the hope that China will seize the favorable chance to deepen its political, economic ties and trade with the EU, adding that his visit will help a lot in this regard.

Noting great potentials in China's inland provinces and inspiring construction, Brittan said upon his return home, he will tell what he has seen in China to the industrial circles in Europe and the governments of the European countries as well.

Brittan Visit To Promote Ties

HK2404044595 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 2

[By Sun Hong: "Visit Lifts Sino-EU Relations"]

[FBIS Transcribed Text] European Commission Vice-President Sir Leon Brittan's visit last week is expected to further promote political and economic ties between the European Union (EU) and China.

The senior EU official met with Chinese Vice-Premier Zhu Rongji and Vice-Minister of Foreign Trade and Economic Cooperation Sun Zhenyu and expressed a desire to bring bilateral relations to a new high.

Sino-EU trade volume hit \$31.5 billion last year, up 20.7 per cent from 1993, according to China's customs service.

Chinese imports from the EU reached \$16.9 billion while exports registered \$14.6 billion, making the trading block China's second-largest import source and fourth-largest export market.

Officials with the Ministry of Foreign Trade and Economic Cooperation (Moftec) said Sino-EU trade volume is very likely to top \$40 billion this year thanks to the addition of Austria, Finland and Sweden to the EU at the beginning of the year.

During the first two months of 1995, bilateral trade reached \$4.6 billion, rising 19.7 per cent from 1994.

Sino-EU trade and economic ties have recovered in recent years due to improved governmental relations and a rising interest in China on the part of European business people, Moftec officials said.

They said the two sides have just signed draft agreements on intellectual property rights protection, a move which is expected to promote bilateral economic ties.

Details of the agreements were not made available.

EU officials said they are drafting policies to strengthen EU economic co-operation with China.

"It's time for a fresh start in relations between Europe and China," Brittan said.

"I'll be seeking better access to Chinese markets, a more open attitude on the part of China to our investment here, and deeper understanding of what we can offer in technical co-operation," he said.

In addition to Beijing, Brittan visited Sichuan and Hubei provinces in inland China—the first official visit by the European Commission's vice-president to the two provinces.

"The European presence so far in inland China is small, but the potential is great," he noted.

"I believe that China will react positively to fresh European interest in those regions."

Mostec Minister Wu Yi said earlier that China welcomes overseas investment in the nation's largely untapped western and middle regions, where natural resources are abundant and potential is great.

She said in such sectors as infrastructure, energy, automobiles, telecommunications, electronics and machinery, Sino-EU co-operation has bright prospects.

By the end of June last year, EU investors have funded over 3,350 enterprises in China with contracted EU investment surpassing \$10 billion.

China To Resume WTO Talks

HK2404070995 Hong Kong SOUTH CHINA
MORNING POST in English 24 Apr 95 pp 1, 7

[By Dede Nickerson in Beijing and agencies]

[FBIS Transcribed Text] China will resume World Trade Organisation (WTO) working party negotiations in Geneva next month, according to the Vice-President of the European Commission, Sir Leon Brittan.

Sir Leon, who has just spent two weeks in China on a visit that included a trip to Sichuan and Hubei, said Europe was willing to see China win membership of the world trade body with a transitional period to allow it to fulfil the necessary conditions.

"We have always supported China's membership of the WTO," he said. "We recognise China cannot accept in one go all the obligations of membership and needs a transitional period."

Beijing failed to rejoin the WTO's predecessor, the General Agreement on Tariffs and Trade, before its self-imposed 1994 deadline mainly because of U.S. and European demands that China do more to create a level playing field and provide greater market access.

"Confining to state-owned monopolies the right to distribute European Union [EU] goods is something that is holding back the Chinese economy and not protecting," he said. "And the same applies to high tariffs."

Sir Leon said he hoped Beijing would return to the negotiating table as early as next month, adding he believed the issue could be resolved this year.

"I believe that doing what is necessary to join the WTO does not involve concessions by China, but rather involves reinforcing China's own economic reform programme," he said.

During his visits to the cities of Wuhan and Chongqing, Sir Leon was accompanied by Vice-minister of Foreign Trade and Economic Co-operation Long Yongtu and had plenty of time to discuss China's application to the WTO.

Sir Leon acknowledged China's WTO application would be a subject of discussion in an upcoming meeting between the U.S., Japan, the EU and Canada.

There is growing concern among diplomats and business people that the U.S. seems to be taking on the task of tough negotiation while other countries, including those of the EU, are riding on its coat-tails.

Last week Trade Minister Wu Yi promised Sir Leon that China would sign an intellectual property rights agreement with the EU identical to the one recently signed between China and the U.S.

The Sino-U.S. agreement was ironed out at the eleventh hour after months of difficult negotiations that placed additional strain on Sino-U.S. relations.

"With the threat of impending sanctions, American business people were in a difficult position," said the chief representative of a major American firm in Beijing.

"We hope the U.S. doesn't have to be the only concern cracking the whip where WTO is concerned. It makes us look like the bad guy all the time.

"The U.S. Government is trying to address serious issues that, if solved, will make China a global player on an even playing field."

Likewise, Chinese officials recognise the trend of the U.S. sticking its neck out on trade issues.

When asked about this, Sir Leon was quite defensive, saying that the EU should be given a good deal of credit for its efforts on China's WTO entry as it had drafted the protocol "step that advanced, China's WTO membership" [as published].

Sir Leon also said that he believed China had made substantial progress on its effort to enter the WTO, after the country failed to become a founding member.

A statement issued by the EU press office in Beijing stated that Sir Leon also raised the subject of human rights among topics including trade, economic reform and politics, in a meeting with Vice-Premier Zhu Rongji.

But when asked about human rights in relation to China's WTO entry, Sir Leon said that the "two issues were separate".

Efforts 'Battle of Wills'

HK2404071195 Hong Kong SOUTH CHINA
MORNING POST in English 24 Apr 95 p 22

[Editorial: "Deserving a Little Time"]

[FBIS Transcribed Text] China's efforts to become a member of the World Trade Organisation (WTO) have, at times, appeared a battle of wills between Washington and Beijing. The comments yesterday by European Union (EU) Vice-President Sir Leon Brittan provide a timely reminder that broader interests and issues are at stake. Sir Leon's comments also point to a possible way out of the impasse over China's membership application.

The United States takes the view—which is not without merit—that if China wants to join the club it has to abide by the rules. According to this view, a powerful country such as China must have open markets in order to belong to a free-trade organisation. Further, such a country must respect intellectual copyright, otherwise cowboy companies will reap the fruits of billions of dollars invested by U.S. and other companies in research and development and in establishing respected brand names. However, while every country that wishes to be a respected member of the world trading community should abide by such basic principles, it would not be in the interest of most WTO members to exclude a future economic superpower. And while other WTO members would agree with the stated U.S. aims, the suspicion remains that domestic political considerations may influence the vigour with which Washington pursues them.

Most Favoured Nation status provides a recent example of an economic weapon being wielded to achieve a political end. That weapon was wielded so clumsily that the U.S. had to abandon it. It is not surprising then that the EU should hesitate to embrace wholeheartedly any policy whose future might be influenced by the vision of House Speaker Newt Gingrich, who embraces Taiwan.

The EU proposal to give China six-month probationary membership of the WTO is welcome and deserving of support. The WTO should set a realistic timetable for China's compliance with the organisation's rules and quantifiable targets to measure compliance. If China abides by its commitments, it should be granted full membership; if it fails, it should be refused membership and discussions suspended until Beijing fulfils all WTO conditions.

Both the U.S. and the EU are aware that China's apparent difficulty in moving towards compliance could be a delaying tactic aimed at obtaining an unfair advantage in relation to more-developed economies. Such a tactic has served Japan for well over a decade and

Washington is determined not to get fooled again. On the other hand, Beijing does face genuine difficulty in jump-starting a huge and diverse economy that straddles several stages of development.

Beijing's economic planners deserve every credit for the remarkable achievements of recent years, achievements that have raised living standards in China and protected the rest of Asia from the damage and instability that a tottering China might have inflicted. China deserves a little time and a lot of understanding but not complete lassitude and an open chequebook.

ING Chairman Ready To Expand Cooperation

OW2204111695 Beijing XINHUA in English 1047
GMT 22 Apr 95

[FBIS Transcribed Text] Shanghai, April 22 (XINHUA)—"With the acquisition of Barings, ING is now ready to boost its efforts in China to become a leader in the origination, structuring and placement of financing needed to develop China's industry, trade and infrastructures," a Holland business executive has said.

A.G Jacobs, Chairman of the International Nederland Group (ING) of Holland, which has bought Barings Group of England, said this in a recent interview with XINHUA.

China should be among the major targets for his company's worldwide business expansion strategy, he added.

Barings, which was set up in 1762, had been the pioneer of international securities companies. It set up a China and Oriental Fund, the first of its kind. It now has 300 million US dollars of circulation funds at the London, Hong Kong and New York markets.

Baring was also the first to enter China and has a special seat in the Shanghai and Shenzhen bourses and undertakes the sale of B and A stocks of seven kinds for Shanghai, Shenzhen and Shandong Province.

The fact that the head of one of the world's largest diversified financial services group made his China's visit in less than one month right after the successful acquisition of Barings, clearly shows that he attaches great importance to China, according to the sources of his delegation.

"ING holds that China is rapidly growing into an economic giant" he said, adding, "She will definitely need more sophisticated services in the banking, insurance and securities fields on her way towards a market economy and modernization".

"The ING group has a great amount of experience and expertise in these fields" Jacobs said. "We are looking forward to expanding our cooperation with China. ING wish to offer our international experience and technologies to our Chinese colleagues".

Sources said the Holland Commercial Bank has got the approval to set up its branch office in Shanghai, which is scheduled to open in the coming June, and branch offices will also be founded in Beijing, Xiamen, Tianjin and Dalian.

Before this, its Hongkong branch office has provided hundreds of millions of dollars of loans to China.

Moreover, it has cooperated with the China international Trust Investments Corporation (CITIC) to set up an International Consultancy Company.

Consisted of three affiliated organizations, namely Holland's Insurance Bank—the European largest, Commercial Bank, and the former Barings Group of England, ING has more than 300 million US dollars of circulation funds at the market.

It is learned that ING earned 1.46 billion dollars in net profits last year, up 13.5 percent off the 1993 figure; its 1994 assets totalled 227 billion US dollars, up 5.7 percent.

Qian Qichen Meets Former Dutch Prime Minister

OW2204143395 Beijing XINHUA in English 1419 GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with visiting former Dutch Prime Minister Ruud Lubbers and his party here this evening.

During the meeting, Qian briefed the visitors on China's strategy and policies for economic growth as well as its achievements in recent years.

He said, judging from the present realities, the grand goal of securing a well-off livelihood for all the people of China by the end of the century can be realized one or two years ahead of the scheduled time.

Of course, Qian said there still exist some problems. But, "We have the confidence we can gradually solve them," he added.

Talking about the establishment of a socialist market economy in China, Qian said that the most important thing is to maintain social stability, sustained economic development and the improvement of the people's living standard.

During the meeting Qian also expounded on China's consistent views and stands on issues related to nuclear proliferation, the complete destruction of nuclear weapons, reform of the United Nations and China's entry into the World Trade Organization.

Lubbers said he has re-visited China after eight years and found great changes have taken place in the country.

Lubbers and his party arrived here this morning as guests of the Chinese People's Institute of Foreign affairs. This afternoon Liu Shuqing, president of the institute, and Lubbers held working talks.

Portuguese President Reviews Visit

Wide Range of Issues Discussed

OW2204133695 Beijing XINHUA Domestic Service in Chinese 0325 GMT 20 Apr 95

[FBIS Translated Text] Lisbon, 19 Apr (XINHUA)—On 19 April, Portuguese President Mario Soares said he achieved very positive successes in talks with Chinese leaders during his visit.

After concluding a visit to China and other countries, Soares returned to Lisbon on 19 April. In an interview with a XINHUA reporter at the airport, he said that he held talks with President Jiang Zemin, Premier Li Peng, Vice President Rong Yiren, and other Chinese leaders in Beijing and that both sides reached a consensus on wide-ranging issues. He pointed out that Portugal implements a policy that maintains very good understanding with China.

Soares said he was very optimistic about the prospects of Macao's transitional period. He stressed: Macao's transitional period has always proceeded "in a method that we believe is typical." It will proceed in an even better way during the remaining four years. The friendship between Portugal and China will be further improved.

Terms Visit 'Positive'

OW2004172595 Beijing XINHUA in English 1620 GMT 20 Apr 95

[FBIS Transcribed Text] Lisbon, April 19 (XINHUA)—Portuguese President Mario Soares said here today that his visit to China had achieved positive results.

Soares, who has just returned from his oriental trip, made the remarks Wednesday [19 April] night at the Lisbon International Airport.

He said he held identical views on many issues he discussed with Chinese President Jiang Zemin, Premier Li Peng and Vice President Rong Yiren.

Portugal is pursuing a policy of friendship and understanding toward China, said Soares.

He expressed optimism over a smooth transition of Macao, which is scheduled to return to China's sovereignty in 1999.

Wu Yi, Portuguese Trade Minister Meet

Sign Agreement

OW2204052995 Beijing XINHUA in English 0311 GMT 22 Apr 95

[FBIS Transcribed Text] Lisbon, April 21 (XINHUA)—Portuguese and Chinese trade ministers today promised to make joint efforts to promote their countries' economic and trade relations.

The promise was made by Portuguese Trade and Tourism Minister Fernando Faria De Oliveira and visiting Chinese Foreign Trade and Economic Cooperation Minister Wu Yi.

Wu arrived here on Thursday [20 April] as head of a trade delegation of 160 Chinese businessmen.

Under an agreement signed today with the Portuguese side, China will increase its purchase of Portuguese paper pulp and pork in an effort to balance their trade.

Apart from attending a seminar on bilateral trade to be held in Porto, the Chinese businessmen will hold talks with their Portuguese counterparts to discuss various cooperation projects.

During talks today with De Oliveira, Wu expressed appreciation of Portuguese efforts in supporting China's bid to join the World Trade Organization.

The two ministers also discussed the problems existing in their countries' economic and trade relations and possible solutions.

Wu noted that the Chinese government is concerned about the trade imbalance between the two countries and is making efforts to increase imports from Portugal.

She expressed the hope that the two countries will seek more ways to expand bilateral trade cooperation, including more investment in each other.

De Oliveira said that Portugal values highly its economic and trade ties with China and the government is encouraging Portuguese businessmen to invest in China.

Earlier today, Wu held separate talks with Portuguese President Mario Soares, Prime Minister Anibal Silva and Foreign Minister Jose Durao Barroso.

Wu will conclude on Monday her visit to Portugal, the second leg of her Europe tour, which will also take her to Ireland, Greece and Switzerland.

Stronger Ties Sought

HK2404060495 Hong Kong HONGKONG STANDARD in English 24 Apr 95 p 7

[By Harald Bruning]

[FBIS Transcribed Text] Chinese Foreign Trade and Economic Co-operation Minister Wu Yi has proposed the setting-up of a Sino-Portuguese "joint industrial park" in Macao.

Ms Wu also proposed in Lisbon on Friday that Portugal hold an export goods fair in China.

Reports of the minister's proposals reached Macao at the weekend.

The minister, heading a delegation of 150 Chinese businessmen, arrived in Portugal on Friday, after an official trade trip to Spain. Ms Wu, who spoke to the media in

the Portuguese capital after a meeting with her host and counterpart, Fernando Faria de Oliveira, also said China would buy 5,500 tonnes of paper pulp and about 300 tonnes of cork from Portugal, adding she was "confident" that Sino-Portuguese trade relations could be intensified.

In spite of Portugal's "excellent" political relations with China, bilateral trade relations continue to be relatively underdeveloped. Portugal opened a US\$200 million (HK\$1.56 billion) credit line for its trade and investment relations with China last year. However, the line has remained underused.

Ms Wu is scheduled to meet businessmen in the northern Portuguese city of Oporto on Wednesday.

The Chinese trade delegation is on a five-nation tour to Western Europe. After Spain and Portugal, Ms Wu will tour Ireland and Greece before attending an international economic seminar in Switzerland.

Portuguese President Mario Soares paid a state visit to China earlier this month.

Jiang Chunyun Meets With Swedish Delegation

OW2104133395 Beijing XINHUA in English 1322 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—Chinese Vice-Premier Jiang Chunyun met here this afternoon with a government and economic delegation from Sweden's Vastmanland Province, led by its Governor Jan Ryde.

During the meeting, Jiang reviewed with pleasure his visit to Sweden last June at the head of a goodwill economic mission from Shandong Province.

He noted that last year an agreement on the establishment of ties of friendship between Shandong and Vastmanland was signed.

Recently, great progress has been made in personnel exchanges as well as substantial exchanges and co-operation between the two provinces in economy, trade, science and technology, environmental protection and the manufacture of spare parts for cars, he said.

Jiang expressed the belief that the two provinces' friendly ties will surely give an impetus to economic co-operation and trade between the two countries.

He told the visitors that the volume of trade between the two countries amounted to 1.3 billion US dollars-worth last year, adding that there exists great potential for co-operation between the two countries and the two provinces.

Jiang said that he will, as usual, support the friendly co-operation between the two provinces.

Ryde said the delegation's visit is designed to promote the construction of an environmental protection city in

Shandong in co-operation between the two provinces so as to promote their co-operation in other areas.

Jiang also briefed the visitors on China's economic growth.

Ryde and his party came to China as guest of Shandong.

Shandong's Zhao Zhihao Meets Swedish Delegation

SK2404060895 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 23 Apr 95

[FBIS Translated Text] On 23 April, Zhao Zhihao, secretary of the Shandong Provincial CPC Committee, met with the government and economic delegation from Sweden's Vastmanland County headed by (Yangyude), governor of Vastmanland County, in Jinan.

Governor (Yangyude) visited Shandong to further promote the cooperative construction of an environmental protection project in Weihai and to sign an agreement on cooperation between Shandong Province, Vastmanland County, and the ROK's Small and Medium Industry Promotion Corporation.

At the meeting, Zhao Zhihao hoped that through the delegation's visit, both sides would further make realistic headway in promoting mutual cooperation and contacts. Song Fatang, deputy secretary of the provincial party committee and vice governor of the provincial government, and other leaders were present at the meeting.

Swiss Foreign Minister Previews China Visit

Hopes To Strengthen Dialogue

OW2204015095 Beijing XINHUA in English 0017 GMT 22 Apr 95

[FBIS Transcribed Text] Geneva, April 21 (XINHUA)—Swiss Foreign Minister Flavio Cotti, pending his six-day official visit to China next week, said today that it is "imperative" for his country to strengthen dialogue with China.

"The importance of bilateral (Swiss-Chinese) relations, and that of the Asia-Pacific region, along with the increasing globalization of international affairs make it imperative for Switzerland to strengthen dialogue with China," he told XINHUA in an interview in Berne today.

The foreign minister is leaving Saturday [22 April] for his first visit to China, heading a 12-member delegation selected from Swiss business circles, who, he said, are considering long-term involvement in the Chinese market.

The foreign minister said the aim of his trip to China is to promote mutual understanding, saying further commercial and cultural contacts and more exchanges of

visit between government officials would contribute to the development of bilateral ties based on common interests.

Cotti expressed satisfaction with the progress of economic ties between the two countries. He pointed out that China is now the third largest non-European exporter to Switzerland and meanwhile one of the top ten importers of Swiss products.

In China, Swiss businesses have set up a total of 150 joint ventures with Chinese enterprises, he added.

Noting the dynamic economic growth in Asia, the foreign minister said that Asia, especially East Asia, along with North America and Europe now constitute the three economic poles of the world.

"The plan for a summit between European and Asian leaders early next year highlights the necessity to reinforce the dialogue between the two regions," Cotti said.

The foreign minister also reiterated Swiss government's consistent stand to seek the European Union membership, saying that it is a strategic objective of his country's foreign policies.

EU decisions have "fundamental" influences on both domestic and foreign policies of Switzerland, which is deeply rooted in Europe, Cotti said, adding that only joining the EU can "best and completely" defend his country's interests.

It is also one of his government's priorities to further cooperation with the central and East European countries through continuing its support for the ongoing reforms there, he said.

After his stay in Beijing, Cotti will travel to Shanghai, where he will officially open a Swiss consulate, and later next week to Kunming, the capital city of China's southwestern province of Yunnan, which is Zurich's twin city.

Arrives in Beijing

OW2304073395 Beijing XINHUA in English 0716 GMT 23 Apr 95

[FBIS Transcribed Text] Beijing, April 23 (XINHUA)—Flavio Cotti, member of Federal Council and foreign minister of Switzerland, arrived here by air today on his six-day official visit to China as guest of vice-premier and foreign minister Qian Qichen.

This is Cotti's first China tour in the capacity of foreign minister. He was greeted at the airport by Chinese vice-minister of foreign affairs Jiang Enzhu and Swiss ambassador to China Uli Sigg.

It was learned that the two ministers are expected to exchange views here tomorrow on bilateral ties and international issues of common concern.

NPC Vice Chairman Leaves For Turkey

OW2004115295 Beijing XINHUA in English 0849
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—Sun Qimeng, vice-chairman of China's National People's Congress (NPC) Standing Committee, left here today for Turkey to attend the celebrations for the 75th anniversary of the founding of its Grand National Assembly.

Latin America & Caribbean

Brazilian Mayor Meets With PRC Leaders

Qiao Shi Meets Mayor

OW2404081395 Beijing XINHUA in English 0638
GMT 24 Apr 95

[FBIS Transcribed Text] Beijing, April 24 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress (NPC), met here this morning with Paulo Maluf, mayor of the city of Sao Paulo in Brazil, and his party.

Qiao said that China attaches great importance to developing its ties with Brazil and hopes that Sino-Brazilian friendship and co-operation will maintain a sustained growth.

As two developing countries, China and Brazil have much in common, and the development of bilateral relations and that of economic co-operation have been satisfactory, Qiao said. China hopes for closer co-operation with Brazil so that the two countries can learn from each other and gain shared prosperity.

Maluf, who is on his first visit to China, said that Brazilian entrepreneurs including those from Sao Paulo have a strong desire to do business in China, and Sao Paulo, a financial and commercial center, also welcomes Chinese business people to invest and set up enterprises there.

During the meeting, Qiao also expressed his appreciation for the joint efforts Sao Paulo and Shanghai, which became sister cities in 1988, have made in promoting economic co-operation and trade between China and Brazil.

Zhu Rongji Meets Mayor

OW2404111295 Beijing XINHUA in English 1054
GMT 24 Apr 95

[FBIS Transcribed Text] Beijing, April 24 (XINHUA)—Chinese Vice-Premier Zhu Rongji met Paulo Maluf, mayor of the city of Sao Paulo in Brazil, and his party here in the People's Great Hall this afternoon, and had a cordial and friendly talk with them.

During their meeting, Zhu happily recalled his 1993 visit to Brazil and thanked Maluf for his hospitality. Zhu also expressed his welcome to Maluf's visit to China.

Maluf led the Sao Paulo municipal government and economic delegation to China at the invitation of the Shanghai Municipal Government. During their stay in China, the Brazilian guests visited Shanghai and Beijing.

State Councillor Meets Visiting Cuban Minister

OW2204101095 Beijing XINHUA in English 0921
GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—Chinese State Councillor and Minister in Charge of the State Science and Technology Commission Song Jian met here this afternoon with Ernesto Melendez Paz [name as received], minister of foreign investment and economic cooperation of Cuba, and his party. They exchanged opinions on issues of common concern.

The eight-member Cuban delegation arrived here Friday at the invitation of China's State Science and Technology Commission.

Cuba Sends Condolences on Chen Yun's Death

HK2104082195 Beijing XINHUA Domestic Service in Chinese 1257 GMT 19 Apr 95

[FBIS Translated Text] Beijing, 19 Apr (XINHUA)—On 13 April, the Central Committee of the Communist Party of Cuba sent a telegram of condolence to the CPC Central Committee regarding the passing away of Chen Yun. The full text is as follows:

The CPC Central Committee:

We were shocked to learn of the passing away of the beloved Comrade Chen Yun, and we feel deep sorrow. Comrade Chen Yun was a revolutionary leader of an older generation, an outstanding fighter in the struggle for national liberation and in socialist economic construction in New China; he contributed all his energy and wisdom to New China and made important contributions to the party's undertakings.

The passing away of Comrade Chen Yun has caused the CPC and the Chinese people to lose an outstanding and epoch-making leader.

Regarding this regrettable loss, which cannot be made up, we send our most heartfelt condolences to the comrades in the CPC Central Committee and, through you, to the family of Comrade Chen Yun.

Wen Jiabao Meets Delegation From Ecuador

OW2304114095 Beijing XINHUA in English 1132
GMT 23 Apr 95

[FBIS Transcribed Text] Beijing, April 23 (XINHUA)—Wen Jiabao, alternate member of the Political Bureau of the Central Committee of the Communist Party of

China (CPC), today met with a delegation from the Ecuadorian Political Party of Popular Democracy headed by its leader Rodrigo Paz.

Wen, also member of the Secretariat of the CPC Central Committee, said that since the two parties established ties in 1983, their contacts have increased steadily.

The party relationship based on the principles of independence, equality, mutual benefit and respect will surely give an impetus to bilateral relations between the two countries, he said.

Wen expressed his appreciation of the efforts that Paz and other Ecuadorian friends have made for promoting such ties.

He said he was very pleased to note that the two sides have had very good talks, sharing identical or similar views on major international issues.

The delegation's visit to China will help promote mutual understanding and enhance bilateral cooperation, Wen believed.

Paz spoke highly of tremendous achievements that China has scored in its reform and opening up, saying that the Ecuadorian party has shown its great interest in the progress of China's reform.

It hopes that the friendly ties and cooperation between the two parties and the two nations will continue to grow, he said.

Paz and his party are here as guest of the International Liaison Department of the CPC Central Committee.

Political & Social

Deng's Children Said To Return to Beijing

HK2404004695 Hong Kong EASTERN EXPRESS in English 24 Apr 95 p 1

[By Bruce Gilley]

[FBIS Transcribed Text] The five children of the Chinese patriarch, Deng Xiaoping, have all returned to Beijing and cancelled trips outside the capital for at least a month, sources said yesterday.

It was not clear if there had been any decline in the health of their 90-year-old father, whose illness late last year was recently confirmed.

However, sources say the party politburo has advised the Deng progeny to "avoid falling into a lot of trouble" by having to answer questions about their father's health.

It was announced at the weekend that Deng Rong, the youngest daughter and unofficial spokesperson for the patriarch, has cancelled a planned visit to Tokyo next month.

A spokesman for the Japan-China Friendship Association, whose foundation meeting Rong was to attend, said the cancellation was made earlier this month.

Rong's office explained that she was ill and in the hospital, the spokesman said.

The cancellation may have been made in anticipation of increased speculation about her father's health, after the death of party elder Chen Yun on April 10.

Deng Pufang, the crippled eldest son, is understood to have cut short a country-wide tour for the National Disabled Federation, which he heads, in order to return to Beijing.

The older daughters, Deng Lin, who was in Macao at the end of March, and Deng Nan, who was in Tokyo for 10 days earlier this month, have also cancelled all further trips out of the capital.

Deng Zhifang, the younger son who is active in business in Hong Kong, has not left the capital this month.

The patriarch's half-sister, Deng Xianfu, told a Hong Kong writers' delegation last month that her brother had caught a cold "a short while ago", but had "fully recovered".

The illness is believed to have begun in November or December. Shortly thereafter, separate tours to the United States scheduled for January by Lin and Rong were postponed until after the lunar new year.

The movements of Deng's children have attracted greater attention as speculation about his health has grown.

Former Vice Premier Kang Shien Passes Away

OW2204131395 Beijing XINHUA in English 1244 GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—Kang Shien, a former vice-premier and a veteran expert on the petrochemicals industry, died of illness here Friday at the age of 80.

As Vice-Minister and Minister of Petroleum Industry for over two decades, Kang was an outstanding pioneer and leader of China's petroleum and petrochemicals industries.

He also served as Minister in Charge of the State Economic Commission, State Councillor and Member of the Standing Committee of the Central Advisory Commission of the Communist Party of China.

Li Peng Inspects Vegetable Production in Shanghai

OW2304145295 Beijing XINHUA in English 1435 GMT 23 Apr 95

[FBIS Transcribed Text] Shanghai, April 23 (XINHUA)—Chinese Premier Li Peng inspected vegetable production in Shanghai, China's largest city, in a bright, sunny afternoon on April 20.

In a vegetable production base in Maqiao Town, the city's Minghang District, where more than 20 vegetables and fruits are grown in green-houses covered with glasses or plastic sheetings, Li Peng asked municipal officials whether urban dwellers have access to various fresh vegetables and whether the prices are reasonable.

Li was glad to see the fresh and lovely growing vegetables in one of the glass-covered sheds. Xu Kuangdi, the Shanghai mayor, told the premier that soilless cultivation technology has been applied there.

Li also inquired about the sources of fund, vegetable output, output value and profits. Wang Shunlong, party secretary of the town, told the premier that the town had invested 44 million yuan in the construction of the modern vegetable production base.

As a result, he said, vegetable production with soilless cultivation method has jumped by several times compared with cultivation with soil, but per hectare cost made up 75 percent of the output value. "With increased output, however, the production base still produces some profits," he told the premier.

At this, Li told local officials to meet demands of both ordinary urban dwellers and high-class hotels as common people cannot afford the vegetables grown in soilless cultivation technology.

Then, Li went to the plastic sheeting covered sheds, inquiring about the prices of tomatoes and their supply situation. After listening to reports by Shanghai officials on vegetable production, Li went to a foodstuffs market.

Seeing ample supply of various vegetables, Li went from one counter to another, talking with stall owners, inquiring about prices of various products.

Li praised local officials for their effort to allow vegetable farmers to sell their products directly in free markets, calling it "a convenient service" and "a way to cut down vegetable prices."

He attributed the price fluctuation in many parts of China mainly to short supply of pork and vegetables, urging local governments to concentrate themselves on vegetable production and cutting down circulation links.

Li Peng Inspects Shanghai 18-21 Apr

OW2204103795 Beijing XINHUA Domestic Service in Chinese 1329 GMT 21 Apr 95

[By reporters Sun Benyao (1327 2609 1031) and Chen Maodi (7115 3029 1717)]

[FBIS Translated Text] Shanghai, 21 Apr (XINHUA)—Premier Li Peng pointed out during his recent inspection of Shanghai: The achievements of Pudong's development and opening up over the past five years are obvious to all and have had a great impact at home and abroad. The basic policy of the party Central Committee and the State Council on Pudong's development will not change. Pudong should strive to play the "leading" role in development and opening up, further promote the reform, opening up, and economic development in the Chang Jiang Delta and even in the entire Chang Jiang Valley, and serve the whole country in an even better way.

From 18 to 21 April, Premier Li Peng inspected Shanghai's Pudong New Area, vegetable base, and non-staple food market, held discussions with responsible persons of state-owned enterprises, and heard briefings on the work of the Shanghai Municipal Party Committee and the Municipal Government. He was accompanied during the inspection by Huang Ju, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, and Shanghai Mayor Xu Kuangdi.

On 18 April 1990, Premier Li Peng came to Shanghai to announce the decision of the party Central Committee and the State Council on the opening of Pudong. Since then, he has come to inspect Pudong several times and helped study and solve problems during Pudong's development and opening up. Over the past five years, Pudong New Area has made remarkable achievements in all work. A great headway has been made in infrastructure construction, with the basic completion of the first group of key projects, and the investment environment has improved. Substantive progress has been made in developing its major sub-districts in terms of infrastructure and functions, and an export-oriented economy covering mainly finance, trade, and export processing has begun to function in the area. Meanwhile, the area

has made rapid developments in economic and technological cooperation with both the outside world and enterprises in China. Its overall economic power has been strengthened, creating new sources for Shanghai's economic growth. Pudong New Area has made active explorations in economic restructuring, played a leading and demonstrating role in reform and opening up, and had a great impact at home and abroad.

In a joyful mood, Li Peng inspected Pudong New Area's Waigaoqiao Bonded Zone and Lujiazui Finance and Trade Development Zone, and ascended the Oriental Pearl Radio and Television Tower to get an aerial view of the development and construction in Pudong New Area and other parts of Shanghai. He praised the daily changes in Pudong and other parts of Shanghai. After inspecting Pudong and hearing the work briefings of the Shanghai Municipal Party Committee and Municipal Government, Li Peng said: Working under the guidance of Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics, Shanghai Municipality has seriously implemented the party's basic line and made remarkable achievements in economic construction and social development. The great progress made by Shanghai in Pudong's development and opening up is particularly obvious to all at home and abroad. Practice has proven that the strategic policy decision made by the party Central Committee and the State Council on Pudong's development and opening up is correct. He said: Over the past five years, Comrade Deng Xiaoping has repeatedly provided his guidance and voiced his support for the development of Pudong, and the party Central Committee with Comrade Jiang Zemin as the core has shown great concern and issued many instructions over Pudong's development. All central departments and all localities across the country have also given powerful support to Pudong's development. In particular, the cadres at all levels and the broad masses of the people in Shanghai have done a great deal of effective work. For this reason, Pudong's achievements in development and opening up are a result of the hard work done by the Shanghai people under the leadership of the party Central Committee and the State Council, as well as the concerted efforts made and the active support given by the people across the country.

On the policy concerning Pudong's further development and opening up, Li Peng said: The basic policy of the party Central Committee and the State Council on Pudong's development and opening up will not change. But there will be proper adjustments made to specific details and measures in the course of the establishment of the socialist market economic structure so as to safeguard the further development and opening up of Pudong.

Li Peng said that Shanghai is an old industrial base with adequate transport facilities and a superiority in specialized personnel, science and technology, and it is fully covered by a commerce network. He hopes that Shanghai will take full advantage of these strengths

during the course of economic development in the days to come. He called on Pudong to build itself into a first-rate, export-oriented, multi-functional and modern new area and play an even greater "leading" role in development and opening up, so that Shanghai could become one of the international economic, banking and trade centers, perform even better functions of an urban center, promote the development of the Chang Jiang Delta and the Chang Jiang Valley, and serve the development of the national economy.

On 20 April morning, Li Peng held a discussion meeting with the responsible persons of some of Shanghai's state-owned enterprises and they mainly discussed how to further improve state-owned enterprises. He took notes while inquiring in detail about the situation of enterprises with respect to their deepening of reform, production and operations, and workers' incomes, as well as their major problems and solutions. Shanghai Vice Mayor Jiang Yiren told him that some of Shanghai's large and medium-sized state-owned enterprises were a "ready source of state revenue" in the past, and later were beset with difficulties; and now they are in the beginning of becoming modern enterprises. Li Peng said that Shanghai's state-owned enterprises are full of promise because they have found the proper way and effective measures for reform. He pointed out: Enterprises which have a bearing on national economy and people's livelihood should be under state control. It is necessary to make a scientific appraisal of state assets and create a correct image of state-owned enterprises. All localities should ensure success first in key enterprises, and then seriously sum up experience and spur on other state-owned enterprises in reform and development.

Li Peng is always concerned about the food supply for urban residents. On 20 April afternoon, he specially inspected a vegetable production base of the Maqiao Town Horticulture Farm in Minhang District and the Julu Non-Staple Food Market in Luwan District. The Maqiao Town Horticulture Farm, adopting imported soilless culture techniques, is growing 560 mu of vegetable in greenhouse, ensuring a year-round supply of fresh vegetables. He believes that the practice of the Maqiao Town Horticulture Farm in using advanced culture techniques in growing vegetables is an exploratory way. At the Julu Non-Staple Food Market, Li Peng particularly paid attention to the vegetable stands set up there directly by vegetable farmers. He spoke very highly of the non-staple food chain stores in Shanghai. He emphatically pointed out: The governments at all levels should seriously solve problems concerning the circulation of non-staple food and enable residents to have fresh, varied, and inexpensive vegetables.

When told that Shanghai has built over eight million square meters of residential buildings, Li Peng was very pleased. He said: Our government serves the people. It should keep in mind the people's interest at all times and seriously solve for the people any problems which need prompt solutions. The people will support us only when

they feel that we are sincerely serving them. Li Peng pointed out: We should strictly restrict the construction of high-class housing projects. At present, our main efforts should be put on completing the projects under construction and make them yield significant benefits. Real estate development should stress housing construction for the masses along with relevant construction of water and electricity supplies and road construction.

On building a clean and honest government, Li Peng said: Our cadres must conscientiously accept the supervision by the higher levels and by the people, be honest in performing official duties, exercise self-discipline, and work diligently for the people. We must keep firmly in mind that the people have given us both power and heavy responsibility. Only by representing the people and truly doing our work well will we be fair to our country and to the people.

On the building of spiritual civilization, Li Peng said: Shanghai has done a good job in building spiritual civilization. While Shanghai is opening wider to the outside, it is even more important not to slacken the efforts in the building of spiritual civilization. Shanghai is a highly influential city in China. I hope that Shanghai will build both material and spiritual civilizations, attach equal importance to both, make achievements in both, and set an example for the whole country in this regard.

During the inspection tour, Li Peng laid a wreath at the Longhua Cemetery for Revolutionary Martyrs in Shanghai.

During the Shanghai inspection, Li Peng was also accompanied by Li Tieying, member of the CPC Central Committee Political Bureau and state councillor; and by responsible persons of relevant State Council departments, including He Chunlin, Li Shuwen, Dai Xianglong and Jiang Yunbao.

Li Lanqing Inspects Jiangsu 27 Mar-2 Apr

OW2304072695 Beijing XINHUA Domestic Service in Chinese 1445 GMT 2 Apr 95

[By reporter Hua Weilie (5478 5898 0441)]

[FBIS Translated Text] Nanjing, 2 Apr (XINHUA)—During an inspection of northern Jiangsu from 27 March to 2 April, Li Lanqing, Political Bureau member of the CPC Central Committee and State Council vice premier, emphasized: Leading cadres at all levels should take the lead in studying and implementing the "Education Law," attach great importance to the quality of primary and secondary education, energetically develop vocational education, expedite the readjustment of the structure of higher education, and improve the quality of teaching and the efficiency of school management. Meanwhile, they should utilize the region's proximity to the developed neighboring southern Jiangsu and Shanghai in promoting lateral ties to reinvigorate the economy of northern Jiangsu.

Accompanied by Comrades Chen Huanyou, secretary of the Jiangsu provincial party committee; and Zheng Silin, provincial governor; Li Lanqing visited Nantong, Yangzhou, Huaiyin, and Yancheng Cities in northern Jiangsu, and went deep into villages, factories, and schools to conduct investigation and study on issues related to basic education, vocational education, and higher education, as well as to the export-oriented economy, the coordinated development of the region, and circulation system reform.

In the course of inspection, Li Lanqing fully affirmed Jiangsu's remarkable achievements in recent years in persistently taking economic construction as the central task and in attending to the building of material and spiritual civilization simultaneously. Since reform and opening up, Jiangsu has maintained a sustained, rapid, healthy economic development, scaling new heights quantitatively and qualitatively.

Li Lanqing visited and attended discussions with teachers and students of Yangzhou University, Yangzhou Middle School, Nantong Normal School, Huaiyin's Hezehen Township Middle and Primary Schools, and Yancheng Middle School. He emphasized: Compulsory education is the foundation for enhancing the quality of the nation. We should reduce middle and primary school students' excessive home work, and change the focus of basic education from dealing with examinations to improving the quality of students. On the basis of universalizing compulsory education, we should vigorously develop vocational and technical education. In developing vocational education, we should encourage all circles of society to actively take part in school management, instead of relying entirely on state assistance. In the initial stage of setting up schools, the government should provide assistance in terms of financial input. However, after schools are set up, it is necessary to collect fees based on society's capability and school expenses so that financial resources can be saved to support compulsory education. In reforming higher education management and administrative system, we should promote cooperation, optimize the distribution of education resources, and bring their role into full play so as to raise the quality of teaching and the efficiency of school management. At the Yangzhou University, Li Lanqing noted that the university, which was founded by merging seven single-subject schools of higher learning, had made a good start in readjusting subjects, and called on the university to further accelerate the pace of readjustment. He said: In merging schools of higher learning, we should by no means simply change the sign board of schools, but should readjust subjects according to the requirements for a comprehensive university. We should concentrate, rationally allocate, and fully utilize the existing education resources for raising the quality of teaching and the efficiency of school management.

During his inspection of Jiangsu, Li Lanqing was very concerned about teachers' living, working, and housing conditions. At every school he visited, he made a

detailed inquiry and had a cordial talk with teachers. At the Nantong Normal School campus, he observed a report meeting on vocational training capability of graduating students. After viewing the students' outstanding demonstration in calligraphy, computer programming, wood block printing, arts and crafts, music, and dancing, he said with delight: We should show a special concern and support for teachers dedicated to normal education. Without special normal schools to support education, it will be difficult to develop basic education and vocation education among China's 1.2 billion population. Teaching is an honorable profession, and the training of teachers is a still more honorable profession.

While inspecting the Nantong economic development zone, Huaiyin City, Yancheng, and other places, Li Lanqing went deep to the front line of production of the economic development zone and foreign-funded enterprises to familiarize himself with their development, operations, and management; as well as to listen to local leaders' briefings. He said: Our general policy of opening to the outside world and absorbing foreign capital will not change. Realization of common prosperity is the fundamental goal of building socialism with Chinese characteristics. Judging from the whole Jiangsu Province, economic development between the regions has been uneven. The south should help the north develop economy by encouraging foreign investors to gradually transfer to the north some industries that the north has the condition for their development. While readjusting the regional structure in the development of an export-oriented economy, both the south and north should strive to set up a rational structure. The north should accurately identify its strengths; take the initiative to absorb new technology from the neighboring developed northern region; and develop mutually beneficially lateral economic ties with partners at home and abroad. Huaiyin City has become an important base of pork and other nonstaple foods for Shanghai and southern Jiangsu. We should support the city to further develop itself in this direction. Meanwhile, we should strive to cultivate a civilized investment environment with complete legislation, high office efficiency, highly qualified personnel, and good services.

While inspecting cities in northern Jiangsu, Li Lanqing time and again pointed out: Both southern and northern Jiangsu should make agriculture an important item on the agenda by increasing the input, applying science and technology, and carrying out scale management in order to modernize agriculture and to provide more grain, cotton, edible-oil, and other farm and subsidiary products to the state.

At the Hongqiao Grain Store and Fair Trade Market in Nanrong, Li Lanqing inquired about prices of grain, edible-oil, and vegetables as well as grain enterprises' sales. He chatted cordially with the grain store's manager, clerks, and customers; and told them in earnest: Governments at all levels have made price stability one of the focuses of the work for this year. Let us work

together in stabilizing prices. He emphasized in particular: In deepening the reform of circulation system, we should bring into further play the role of state-owned cooperative commercial enterprises as the major channels for obtaining and storing goods. In cities where conditions exist, we should go all out to develop chain operations, striving to achieve a breakthrough in the reform of state-owned commercial enterprises and grain stores by developing chain operations to ensure market supply, to stabilize prices, and to curb inflation, thereby ensuring convenience, low prices, and satisfaction for the masses.

During the inspection, Li Lanqing listened to a briefing by the Jiangsu provincial party committee and provincial government. While affirming Jiangsu's achievements in the work of various fields, he put forth requirements for further carrying the tasks for this year. He also attended and made an important speech at a provincial on-the-spot meeting in Zhangjiagang City to exchange experiences in promoting the building of two civilizations simultaneously. Accompanying Vice Premier Li Lanqing on the inspection tour of Jiangsu were Chen Yunlin, deputy director of the State Council's Taiwan Affairs Office; Yu Xiaosong, vice minister in charge of the State Economic and Trade Commission; and other senior officials of the relevant State Council departments.

Li Lanqing Inspects Guizhou Apr 17-22

OW2304140495 Beijing XINHUA in English 1354
GMT 23 Apr 95

[FBIS Transcribed Text] Guiyang, April 23 (XINHUA)—Chinese Vice-Premier Li Lanqing urged the central and western China areas to bring into play their abundant resources and train more talents.

Li, also a member of the Political Bureau of the Central Committee of the Communist Party of China, made the remark during his inspection in southwest China's Guizhou Province from April 17 to 22.

After visiting some schools, stores and factories, Li said that although Guizhou is economically backward compared with the coastal areas, it has rich natural resources and hard-working people.

He asked the province to pay more attention to the agricultural production and steadily enhance the ratio of self-sufficiency of grains. He appraised the local government for sending officials to the rural areas to help farmers strengthen the party organizations at the basic level and shake off poverty.

He pointed out that the province must solve the problem of talent shortage in developing its agriculture.

After inspecting several universities and middle schools, Li asked the province to make full use of its intellectuals and develop vocational education, so as to serve agricultural production and township enterprises.

Li also inspected some enterprises and emphasized that the key of enterprises' reform lies in the shift of operational mechanism.

Li Tieying Joins Jilin NPC Deputies' Group Talks

SK2204050195 Changchun JILIN RIBAO in Chinese 7
Mar 95 p 1

[By special correspondent Liu Li (0491 0500): "Develop Jilin's Advantages and Score New Achievements Again"]

[FBIS Translated Text] When joining the group discussion of the government work report by the Jilin delegation on the afternoon of 6 March, Li Tieying, member of the Political Bureau of the CPC Central Committee and State Councillor, said: Jilin has scored significant achievements in various work over the past few years. It is hoped that Jilin will develop its advantages in agriculture, deepen the reform of the state-owned enterprises, and continue its courageous practice in establishing the modern enterprises system and other areas to win new and still greater achievements.

Deputies Nie Wenquan, Guo Yongde, Zhang Jiaming, Wang Jiaqi, and Li Qiankuan, spoke on their opinions and understanding on such issues as strengthening the position of agriculture as the foundation, invigorating state-owned large and medium-sized enterprises, protecting intellectual property rights, curbing inflation, and developing China's film-making undertakings at the group discussion.

After listening attentively to the deputies' speeches, Li Tieying said: I visited Jilin before the Spring Festival. My general impression was that Jilin achieved very good results in economic and other work last year, which marked a year with remarkable results in recent years. I was very impressed by Jilin's endeavors to turn its advantages in farm produce into advantages in the agricultural economy, to develop the intensive processing of corns and chicken, pig, and cattle farming projects, and to establish many production bases. In my opinion, its endeavors are compatible with the central arrangements for the entire economic work. As far as Jilin is concerned, agriculture represents a very great advantage. If Jilin can always give attention to this advantage, develop it, and seize on it to develop the processing industry, the secondary and tertiary industries, the export-oriented agriculture, and export-oriented processing of farm and sideline products, Jilin still has very great potential for economic development.

Li Tieying said: Jilin's 1994 gross domestic product showed an increase of 14.1 percent over that of 1993, surpassing the national average. This was very encouraging. Jilin's enterprises, such as the Jilin Chemical Industrial Company and Jilin Chemical Fiber Plant, have been very successful. In particular, the Jilin Chemical Fiber Plant, which neither depends on large amounts

of state capital nor enjoys many preferential conditions, has seized the opportunity to achieve development in the process of market competition. We have drawn a great inspiration from it—state-owned enterprises still have great vitality and potential.

Li Tieying also spoke on his views on invigorating state-owned large and medium-sized enterprises, establishing the modern enterprise system, and reforming state-owned small enterprises.

Hu Jintao Stresses Importance of Young Cadres

OW2204164695 Beijing XINHUA in English 1628 GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—The bringing up and promotion of young cadres with both ability and political integrity is a pressing task in the building of the party's leading bodies as well as a strategic task which concerns the general situation and future of the party and the state.

This remark was made here today by Hu Jintao, a member of the Standing Committee of the Political Bureau and the Secretariat of the Communist Party of China (CPC) Central Committee, at a national meeting on the bringing up and promotion of young cadres, sponsored by the Organization Department of the CPC Central Committee.

Hu spoke highly of the progress in bringing up and choosing young cadres over the past few years, especially since the Fourth Plenary Session of the 14th CPC Central Committee last year. He urged local party officials to work hard and be fully prepared to realize the goals and meet the requirements of the CPC Central Committee regarding the younger age structure of leading bodies at various levels within a period of three to five years.

"Talented persons cannot be produced fully mature overnight," he said, adding that a period of time is needed for such fostering, training and progress. The promotion of excellent young cadres is not an easy job either, he said. "It can be achieved only through down-to-the-earth and unremitting efforts," he stressed.

As far as the education of young cadres is concerned, the party official said, high standards and strict requirements should be set for promising young cadres so as to build up a contingent of sound party and state officials.

Hu stressed the importance of theoretical study and practical training, as well as strict supervision in the cultivation of these young cadres. He said young cadres must be armed with the basic theories and fundamental principles of the party as well as modern science and technology, and an excellent tradition and working style.

On the promotion of young cadres, he said their ability and political integrity, and political achievements must

be taken as the major yardstick. It should also be taken into account whether they are widely acknowledged as excellent cadres.

It is not difficult for various party organizations to find excellent young cadres, he said. But the key is whether officials in different localities can emancipate their minds and break through the outdated practices in cadre promotion.

Hu also urged local party organizations to adhere to democratic centralism and strictly follow democratic recommendations, appraisals, and public opinion. Party and government organizations should observe their performances and made decisions collectively on the promotion of young cadres.

"This can ensure that talented young cadres can be promoted while preventing or overcoming malpractices in the promotion of cadres," he said.

To end his speech, Hu called on party committees at various levels, their secretaries in particular, to place the bringing up and promotion of young cadres high on their daily agenda to make further contributions to the party and the people.

Wei Jianxing 'Recently' Inspects Work in Guizhou

OW2404001595 Beijing Central Television Program One Network in Mandarin 1100 GMT 14 Apr 95

[From the "National News Hookup" program]

[FBIS Translated Text] Wei Jianxing, Political Bureau and CPC Central Committee Secretariat member, and Central Commission for Discipline Inspection secretary and All-China Federation of Trade Unions president, recently inspected work in Guizhou. During the inspection tour, he emphatically pointed out: When checking on honesty and self-discipline of leading cadres this year, it is necessary to emphasize checking the problem of using public funds for wanton feasting and pleasure seeking. [video shows closeup shot of Wei Jianxing at a meeting in a conference room]

Wei Jianxing pointed out: On the question of leading cadres' honesty and self-discipline, it is necessary to pay attention to education and prevention of unhealthy practices. We should establish a restraining system to check on cadres' behaviors. To ensure cadres' honesty and self-discipline, we must strengthen supervision by party organizations, the masses, and public opinion. On cases of covering up wrongs and not checking on mistakes and violating discipline and regulations, we must strictly handle those cases according to party discipline and cannot end up with nothing definite.

When making investigations of enterprises in Guiyang and Zunyi, Wei Jianxing emphatically pointed out that trade union organizations at various levels must ensure the implementation of the Labor Law and make efforts

to solve the problems of enterprises and staff members and workers who have difficulties.

Circular Urges Tackling Corruption 'Cautiously'

HK2404060295 Hong Kong HONGKONG STANDARD
in English 24 Apr 95 p 7

[By Amy Liu]

[FBIS Transcribed Text] China has issued an emergency edict calling on ministry-level leaders nationwide to tackle corruption cautiously and to especially avoid causing controversy in the civil service system.

The emergency circular went out last week, following the suicide of Beijing vice-mayor Wang Baosen, who was suspected of economic crimes; the arrest of several former secretaries of Beijing's party chief Li Qiyang and the mayor Chen Xitong; and the recently reported disappearance of former Beijing vice-mayor Su Zhongxiang.

The suicide, the arrests and the disappearance are known to have set Beijing official circles on edge recently out of fear of being summoned for interrogation about economic crimes.

Some senior Beijing officials might yet be accused of corruption related to cases currently under investigation.

One ministry-level official, Ouyang De, who is deputy head of the standing committee of the Guangdong provincial People's Congress, is still under investigation for economic crimes he is alleged to have committed while party chief of the city of Dongguan in the early 1990s.

The emergency circular called on ministry-level leaders of provinces and ministries to be flexible in facing up to rampant corruption by government officials and to respond according to the changing situation, sources said.

While personnel have to be moved when corrupt officials are found, sources quoted the circular as saying, it cautioned that personnel shuffles should be done so as not to create controversy or disturb normal government operations.

He Xin, a member of the Chinese People's Political Consultative Conference (CPPCC), warned that a widespread crackdown against corruption could cause instability both within the government and within the larger society.

"As rampant corruption has penetrated deeply into grass-roots level officials, a large-scale crackdown would affect the government's normal administration," Mr He said.

Mr He stressed that educating officials to the rule of law was more important than a severe anti-corruption crackdown.

However, one senior anti-corruption official said a severe crackdown against venal officials would benefit the government in the long term.

"To clear corrupt elements within the government would enhance the efficiency of the administration," said Feng Tiyun, a vice-minister of supervision.

Chinese leaders have repeatedly stressed that rampant official corruption might cause the downfall of the ruling Communist Party.

The current anti-corruption campaign was launched in August 1993 but the Chinese people have complained their government has put too little effort into it.

Chinese authorities are currently drawing up legislation against corruption, such as the "Sunshine Law", which would obligate officials to declare their income and assets.

New Law To Require Officials To Declare Property

HK2204014595 Beijing ZHONGGUO XINWEN SHE
in English 1222 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (CNS)—Li Zhilun, Vice-Minister of Supervision, said that the Law on declaration of property of government staff in China will be promulgated next year.

Li said that the Regulations on Declaration of Income of Officials in Party and Government Organs under implementation at present are in the form of a policy document. As only leading Party and government cadres are listed in the document for income declaration, the range of people asked to declare their income is relatively narrow. The document can be, however, used as the base for drafting the law. Relevant departments will gain experiences in executing the regulations so as to prepare for the legislation on declaration of individual property.

Mao's Reports at CPC 7th National Congress Published

OW2204041495 Beijing XINHUA in English 0329
GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—A collection of ten reports and speeches delivered by the late Chairman Mao Zedong at the Seventh National Congress of the Communist Party of China (CPC) held in 1945 has been compiled by the Party Literature Research Center of the CPC Central Committee.

The book has been published by the Central Literature Publishing House and began to be distributed throughout China from today.

The reports and speeches, five of which have been published for the first time, include a speech at a preparatory meeting, an opening speech, a written report

on the Coalition Government, an oral political report, two speeches on the election of the Central Committee, and a closing speech.

The reports and speeches specified the work principle of the Seventh National Congress as unity and victory, summarized experience acquired in eight years of the War of Resistance against Japanese Aggression, experience in 24 years of the New Democratic Revolution and experience in nearly 100 years of the democratic movement in China.

They expounded the Party's theories, program, line, policies and work styles, most importantly the Party's minimum program and maximum program, and set serving the people wholeheartedly as the fundamental purpose of the Communist Party of China and the people's army.

They announced that the criterion for judging Party's policies and practice is whether they help expand productive forces of the Chinese people, emphasized that there would be no revolution of any type in China if peasants were forgotten, noted the necessity of expanding the capitalist sector of the economy under given conditions and laid down the Party's three important styles of work (integrating theory with practice, forging close links with the masses of people, and practicing criticism and self-criticism).

The publication of the collection of Mao Zedong's reports and speeches is of great significance to the study of the Party's Seventh National Congress and Mao Zedong Thought.

Worker Training Network for Skill Development Viewed

OW2204053395 Beijing XINHUA in English 0302
GMT 22 Apr 95

[FBIS Transcribed Text] Changsha, April 22 (XINHUA)—A nationwide worker training network focusing on the development of workers' skills has taken shape in China, according to a national working conference in this capital of central China's Hunan Province.

It is estimated that the number of new workers in China's cities and towns will reach ten million this year, and the number of surplus laborers migrating from the rural areas will reach over 30 million. In the state-run enterprises more than ten million surplus workers need to be redeployed.

The solution to the problem of unemployment depends on the development of the economy on the one hand, and the improvement of workers' skills and their competitiveness in the labor market on the other, officials pointed out. Therefore, importance must be attached to the development of skill training.

The Labor Law has clarified the position, function and content of the development of workers' skills for the first

time in the form of a law. In addition, the Ministry of Labor has worked out a series of regulations concerning occupational training.

At present, 13 provinces, municipalities and autonomous regions have set up skill appraisal centers. And more than 400 skill appraisal offices have been set up throughout the country.

There are now more than 20,000 skill training bases in China, which train more than 30 million workers every year.

Conference Honors 186 Those Combating Corruption

HK2304022695 Beijing CHINA DAILY in English 21
Apr 95 p 2

[By He Jun: "Corruption Fighters Get Recognition"]

[FBIS Transcribed Text] Chinese procurators should continue their fruitful corruption-fighting efforts and concentrate even harder on rooting out dishonest government officials, Procurator General Zhang Siqing said in Beijing yesterday during a national conference to honour 186 procuratorates and 175 individuals involved in combating corruption.

Exposing major cases of corruption can send a clear warning to government officials against improper conduct and helps earn the trust of the people, Zhang said.

He called on local procuratorates to pay more attention to crimes committed by managers of State-owned enterprises and officials of grass-roots government organizations.

But difficulty should be expected as the national anti-corruption war is waged deeper, Zhang said.

China now has more than 3,000 local procuratorates with a total of 200,000 staff.

Paper Says Trade Unions Expand International Ties

OW2204023595 Beijing XINHUA in English 0120
GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—The All-China Federation of Trade Unions has established relations of cooperation with its counterparts in 140 countries and regions, according to today's "Workers' Daily."

The paper said that over the past few years the federation has forged exchange and cooperation relations with its counterparts in the Democratic People's Republic of Korea, Vietnam, Laos, the Republic of Korea, Russia, Kazakhstan, Uzbekistan, Mongolia, India, Pakistan, Japan and Southeast Asian countries.

The federation has provided material assistance to trade union organizations in developing countries in Asia,

Africa and Latin America. It has forged and expanded relations with its counterparts in France, Italy, Spain and Portugal.

Since June 1983 the federation has participated in activities organized by industrial committees of the International Labor Organization. It has sent officials to attend international and regional conferences, and training courses held by the International Labor Office.

Since 1990, 195 groups of 675 members sent by the federation have visited 196 countries or attended international meetings.

The federation has received 296 delegations totalling 1,209 members from 291 trade union organizations in 184 countries.

Over the past few years it has sponsored eight international workshops on the market economy and the work of trade unions, on the role of trade unions in employment and development, and on trade unions and peace.

Since 1990 the International Exchange Center of the federation has received 200 delegations totalling 3,500 members from trade union organizations throughout the world.

Bishop on Catholicism's Acceptance Viewed

*OW2104120395 Beijing BEIJING REVIEW in English
Vol 38 No 16, 17-23 Apr 95 pp 8-12*

[FBIS Transcribed Text] At the end of 1994, 23 young Catholic priests, sixth grade friars and other religious orders from parishes and seminaries across China traveled to the United States to spend three to five years in three special seminaries run by the American Catholic Church. They join more than 20 other Chinese clergymen who are already in the United States under the direction of the Chinese Catholic Bishops College and the Chinese Patriotic Catholic Association.

Over the last three years, more than 60 priests and friars have been sent to study in the United States, France, Belgium, Italy and Germany in a bid to make up the serious shortage of teachers in China's seminaries. Over the next decade, the Chinese Catholic Church expects to have a new generation of thoroughly knowledgeable priests trained in theology.

"Catholicism is an international religion. The young clergy needs to understand the changes and development of the world's Catholic theology, and for this purpose they must go to study abroad," said Bishop Michael Fu Tieshan of the Beijing Parish at a farewell party for the students. "After they return, they will continue their studies in Chinese philosophy, the social structure and cultural characteristics so that a theological system with Chinese characteristics can gradually be formed."

Bishop Fu began his studies in a Catholic school at the age of 10. He said the new system will greatly invigorate

Chinese Catholicism, so that as an international religion, it can truly take roots in the soil of China.

History and the Present

According to Bishop Fu, there are altogether 115 parishes with 4 million Catholics throughout China. More than 4,000 churches are open to the public. There are two national Catholic organizations: the Chinese Patriotic Catholic Association, founded in 1957, and the Chinese Catholic Bishops College, founded in 1980. Currently, China has 70 bishops and nearly 1,000 priests. A total of 24 seminaries have more than 1,200 students. More than 40 schools for the teaching of nuns have also opened. The Chinese Catholic Church now has its own publishing house, with a bimonthly magazine entitled China's Catholicism. Parishes in Shanghai also have their own publishing house. In 1993, the Chinese Catholic Church distributed 200,000 bound copies of the Bible, the first time this has happened in China since Catholicism was introduced. More than 1 million copies of various religious classics and holy books have also been published. In addition, all parishes and major churches have begun courses to teach the creed, canon and history of Catholicism, providing a window for society at large to understand the religion.

Concerning the recruitment of new Catholics, Bishop Fu said, "We are steadily recruiting new Catholics. If followers are taken into the Church with little instruction, they can hardly lead the life of a real Catholic even though they are baptized. If their behavior is not in accordance with the doctrines, they can be Catholics in name only. Over the last few years, we have been baptizing some 50,000-60,000 people annually."

Bishop Fu explained that China's Catholic Church shares identical beliefs with Catholicism worldwide, as well as with the Vatican in Rome. They have the same practices, such as baptism, and the same worship service, the Mass. Like their counterparts all over the world, Chinese bishops, priests and Catholics pray everyday to Jesus Christ, the son of God who, according to Christian religious teachings, came down to earth 2,000 years ago to help save it. However, considering its historical experiences and its own interests, the Chinese Catholic Church has advocated patriotism and stuck to the principle of maintaining independence in handling church affairs. It has no intention of denying that the Pope is the spiritual head of the worldwide Catholic Church nor does it contradict his religious doctrines, although it has to deal with church affairs in the light of Chinese cultural characteristics.

According to Bishop Fu, Catholicism was introduced to China in 1294. However, as the missionary work was conducted mainly among the ruling class, Catholicism withered away along with the extinction of the then Yuan Dynasty (1206-1368).

In 1582 the Italian Jesuit missionary Matteo Ricci came to China, bringing not only the Gospel of Christ but also

Western culture and science. He tried to blend his missionary work with Chinese customs. Later on, however, a dispute ensued about rites and practices. Confucianism prevailed in Chinese society and the Chinese people continued, despite their conversion to Christianity, the habit of worshipping Confucius and their own ancestors. The Catholic Church failed to understand these customs and, regarding them as contradictory to the Catholic beliefs, forbade Chinese Catholics to worship Confucius and their ancestors. The decision not only excluded most Chinese intellectuals from the Catholic Church, but also aroused the strong aversion of many Chinese Catholics. The Chinese rulers, believing that "with one more Catholic, there is one less Chinese", also banned Catholicism, which decimated the Chinese Catholic Church. For more than 200 years, the missionary work of the Catholic Church was clandestine.

Following the Opium War in 1840, major foreign powers forced China to sign a series of unequal treaties. This reduced China to a semi-feudal and semi-colonial country. Backed by these unequal treaties, many of the foreign missionaries who came to China consciously or unconsciously served the politics of their own countries. Consequently, the Chinese Catholic Church was for a long time in a semi-colonial state. By 1949, at the founding of the New China, there were 137 parishes with 2.7 million followers throughout China. But only 29 bishops and three archbishops among the 20 provinces were Chinese. It is only natural that at that time, Catholicism was called a "foreign religion" in China and membership in the Catholic Church was considered unpatriotic.

"Included in its canons," said Bishop Fu, "its running of churches in accordance with China's national conditions and the spirit of the times and spreading the Gospel of Christ taking into consideration Chinese cultural characteristics and customs. The fate of the Church is closely related to the fate of the country and patriotism is our duty as is our love for the people. In addition, the Chinese clergy and followers have the right to choose their political life and manage their church, which also accords with the holy teaching of Christ."

Active Builders

Along with the reform and opening up to the outside world, great changes have taken place in social life and thought. Today, how can Catholic beliefs take root and how can the Chinese Catholics find their social value?

"Apart from the family, the church's performance in society is the best way to disseminate Catholic beliefs," said Bishop Fu. "The Chinese Catholic Church shares a common fate with the Chinese people. Regardless of their cultural levels, nationalities, or whether they believe in religion or not, we work for their interests. We display the love of Christ through our work and induce people to understand Christ and accept His Gospel. This is what the Church should do and is, meanwhile, the most important aspect of our missionary work.

"The Chinese Catholic Church places a special emphasis on its social functions," remarked the bishop. "By social functions, we mean to act to promote national prosperity and revitalization. Many parishes have organized followers to engage in social services. They open schools, kindergartens, clinics, rehabilitation centers and homes for the aged. They often offer financial and material assistance to the disabled and the poverty-stricken and disaster areas, receiving much praise. All the 4 million believers have their own duties. Over the past few years, nearly 4,000 priests and followers have been praised as model workers. Some Catholic villages have been cited as model villages for others to emulate."

There are more than 1,000 bishops, priests, nuns and lay followers in the People's Congress at all levels and in local committees of the Chinese People's Political Consultative Conferences (CPPCC) at all levels. Fu himself is a member of the Standing Committee of the National People's Congress. "The People's Congress and the CPPCC are the main channels for us to participate in the government and in political affairs. The opinions and demands of the Church are made known through these channels. I myself have made some suggestions in the country's efforts to achieve advanced culture and ethics."

International Exchange

The Chinese Catholic Church is a twig of the Lord's vine, explained Bishop Fu. In recent years, on the principles of friendship, equality, mutual respect and strengthening the love of the Lord, Chinese churches have been visited by Catholics from more than 90 countries and regions, including bishops, priests, nuns and theologians. Meanwhile, at the invitation of the Catholic Church abroad, Chinese bishops have undertake in friendly visits and exchanges with nearly 20 countries. The Catholic Church in Belgium and France has invited young priests from seven major Chinese monasteries for visits, training and exchanges. Over the last five years, more than 20 theologians and professors from Germany, Italy, the United States, Australia and Hong Kong have given short-term lectures in eight Chinese monasteries and provided 40,000 copies of various religious books in addition to other assistance.

Fu himself has been to the United States, Canada, France and Belgium where he made numerous contacts with the upper echelon of the Catholic Church as well as with the teachers and students at Catholic colleges and seminaries. Mentioning his visits to the United States, Fu said, "I was inspired by the experiences of the American Catholic Church in participating in social services, especially those relating to helping the disabled, the homeless and the aged. We also inspected the management and education in U.S. seminaries. As most Americans know little about the Chinese Catholic Church, they are welcome to visit China."

Bishop Fu is pleased by the fact that the Chinese Catholic Church has been restored and is now flourishing. "This is because the majority of the Chinese

clergy have won the support of the people due to their benevolent words and deeds, bearing in mind the people's interests and the spirit of the Gospel," remarked the bishop. "Its success is also closely tied to the prayers of Catholic well-wishers all over the world for the Chinese Catholic Church and their unreserved help based on the love of Christ."

Zhejiang Officials Volunteer To Serve in Tibet

OW2204023695 Beijing XINHUA in English 0153
GMT 22 Apr 95

[FBIS Transcribed Text] Hangzhou, April 22 (XINHUA)—Nearly 2,000 officials in east China's Zhejiang Province have applied for working in the Tibet Autonomous Region.

A total of 1,970 officials have sent applications to the Zhejiang Provincial Communist Party Committee's Organization Department, to serve on the "roof of the world," as 45 of them will be selected to work there.

In Taizhou City, where the quota was set at three, a total of 553 people applied. In one district of Zhoushan City, 82 people applied for one job.

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Science & Technology

Commission Says More Investment Planned for Research

OW2004120795 Beijing XINHUA in English 0821
GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (XINHUA)—China plans to invest much more in basic research during the period (1996-2000), according to the State and Science and Technology Commission (SSTC).

The SSTC is drafting a strategy for basic research development over the period, promising a 10 percent share of national research and development investment for basic research projects by the year 2000, compared with the present seven percent.

About 22.2 billion yuan was earmarked for national research and development programs in 1994, so the additional amount means a 42 percent increase in basic research funding over 1994.

Shao Liqin, an SSTC official, quoted some leading science officials as saying that priority should be given to significant projects to meet requirements of national economic and social development and science itself.

Basic research funds usually account for 15-20 percent of the research and development investment in some developed countries.

Nuclear Equipment Manufacturing Certificates Issued

OW2204100895 Beijing XINHUA Domestic Service in Chinese 0834 GMT 20 Apr 95

[By RENMIN RIBAO reporter Chen Zujia (7115 4371 3946) and XINHUA reporter Han Zhenjun (7281 2182 6511)]

[FBIS Translated Text] Beijing, 20 Apr (XINHUA)—Today, 25 units received permits from the State Bureau for Nuclear Safety [SBNS], thereby acquiring the qualifications for engaging in the design, manufacture, and installation of nuclear pressure-bearing equipment [the cheng ya she bei 2702 2110 1090 60800271] for civil use.

With the development in the peaceful use of nuclear energy and nuclear technology, demands for nuclear

pressure-bearing equipment used in nuclear power stations and in radiation processing have sharply increased in China. To enhance the capability of designing, manufacturing, and installing nuclear pressure-bearing equipment, to ensure product quality, and to increase the equipment operation's safety and reliability, China formulated the "Provisions for the Supervision and Management of the Safety of Nuclear Pressure-Bearing Equipment" in 1992. Since 1993, the SBNS, together with other relevant departments, and in line with relevant rules and regulations, have trained 43 supervisors, worked out necessary examination and inspection procedures, and conducted qualification checks of units engaging in the design, manufacture, and installation of nuclear pressure-bearing equipment for civil use. Today, the SBNS issued qualification certificates to first batch of 25 units for 45 items they manufactured.

As a government department in China which independently exercises the function of monitoring and managing nuclear safety, the SBNS had previously issued safety certificates to the construction, fuel-loading, and operation criticality of nuclear power stations. Today's issuance of the first batch of qualification certificates for the designing, manufacturing, and installation of nuclear pressure-bearing equipment for civil use shows that China has made corresponding enhancement both in the capability of manufacturing nuclear pressure-bearing equipment for civil use in China and of exporting them. Today, the SBNS and other competent units also called on units that received the certificates to seriously and strictly abide by conditions set forth in the qualification certificates and accept the supervision and checks by the SBNS and relevant departments.

'Superseded Equipment' May Be Fitted in Daya Bay

HK2404061095 Hong Kong SOUTH CHINA
MORNING POST in English 24 Apr 95 p 6

[By Elisabeth Tacey and Agencies]

[FBIS Transcribed Text] Nuclear supplier Framatome is set to fit superseded equipment to the troubled Daya Bay nuclear plant, the company's president says.

Jean-Claude Leny has conceded the company might have to fit tubes incorporating an older design, used in a previous generation of French plants, because the new design of tubes to guide the reaction-controlling rods appears to have slowed drop times.

The old system might also be needed because new designs have not been tested properly.

Mr Leny said the company had reserves of three billion French francs (HK\$4.75 billion) that could be used to cover the cost of putting right the problems at the Guangdong plant, which is 25 percent owned by China Light and Power subsidiary Hong Kong Nuclear Investment Company.

In his six-monthly public address, Mr Leny said a new design of tubes to guide the reaction-controlling rods into the fuel core had not undergone the usual industrial testing before being fitted at Daya Bay.

"This new equipment with minor modifications has not been tested (operationally)," he said.

There had been delays in connection with a French plant where the tubes would have been tested under operating conditions, he said.

But he said if the guide tubes needed to be changed, then the company could "undertake right away to manufacture a new set of guide tubes of the original design".

One of the nuclear reactors at the plant has been shut down since December after the control rods of the main safety mechanism failed to drop fast enough following the first refuelling.

A change of control rods did not put the problem right. The company now plans to add more control rods to allow the reactor to restart by June, while working on changing the design of their guide tubes.

The changes and manufacture of new tubes could take until the end of the year, the company has said.

Mr Leny said both reactors would undergo the same modifications. Unit two is presently shut down for refuelling.

Senior technical adviser Jacques Pretti said "exactly the same indications" of potential problems in unit two had been found, with some rods falling more slowly than others.

All the fuel in unit two had been unloaded and the control rods were undergoing inspections by a micro-TV camera to look for the tiny scratches found on the control rods in unit one.

Reloading of the fuel was scheduled to be finished by the end of this week, he said. He refused to say how much the company estimated the corrections would cost.

More than 100 engineers were working on the problem in Paris, Mr Leny said. The extra engineers flown to the plant had now returned.

Mr Pretti said no further results were likely until mid-May. "We have a lot of experimental data. Now Framatome has so many calculations to perform for thorough analysis of the whole set of results and to prepare a full report for the safety authorities."

French watchdog DSIN [expansion unknown] and its Chinese counterpart the National Nuclear Safety Administration, must approve the start-up plans.

Framatome has said it will pay for the repairs under the warranty, which runs out 21 days after the refuelling.

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ends, according to Hong Kong Nuclear Investment Company chairman Ross Sayers. He told legislators he expected Framatome to pay for all the repairs needed.

Friends of the Earth has voiced concern about who would carry out and pay for repairs once the warranty from the French equipment supplier runs out.

It called for more widespread information including the operating log and details of the guarantee.

Interim Provisions on Satellite Communications Issued

OW2204101495 Beijing Central People's Radio Network in Mandarin 2230 GMT 21 Apr 95

[From the "News and Press Review" program]

[FBIS Translated Text] According to a report by the central station, the Radio Control Committee [RCC] of the State Council recently promulgated interim provisions governing the establishment of satellite communication networks and the establishment and operation of earth stations. The provisions pointed out: Applications for the establishment of satellite communication networks must be submitted to the RCC Office, which shall be responsible for their examination and approval. The RCC Office shall be responsible for the examination and approval of applications for the establishment and operation of earth stations in Beijing area. The offices of the RCC's in provinces, municipalities, and regions shall be responsible for the examination and approval of applications for the establishment and operation of earth stations at areas under their respective jurisdiction. It has been learned that there are nearly 3,000 earth stations of various types in China after a domestic satellite communication system was established in the country in 1985.

Yunnan To Extend Satellite TV Capability

OW2304062995 Beijing XINHUA in English 0603 GMT 23 Apr 95

[FBIS Transcribed Text] Kunming, April 23 (XINHUA)—Television programs transmitted via satellite will be available for 85 percent of households in Yunnan by the end of this century thanks to local government's efforts in expanding its TV coverage rate.

This mountainous province in southwestern China plans to newly build some 9,000 ground satellite receiving stations in coming five years to transmit more and better TV programs, both national and provincial ones.

The province so far has set up 13,053 ground satellite receiving stations, about one fourth of the nation's total, and the TV coverage rate reached 78.2 percent, remarkably relieving people from the poor-informed situation.

Meanwhile, 17 regional TV stations and 17 cable TV stations have been established across the province, and

almost all the cities and counties are covered by the regional cable TV networks.

The provincial government is busy establishing TV dubbing studios in its eight minority nationality autonomous prefectures, aiming to provide the local people more TV programs in their own languages.

Ministry To Focus on Mobile Communications

HK2404030095 Beijing ZHONGGUO XINWEN SHE in English 0319 GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (CNS)—This year, China's Ministry of Post and Telecommunications plans to realize a fixed asset investment of 80 billion yuan and achieve a 38.5 percent growth in overall posts and telecommunication services over last year. The focus will be put on developing mobile communication.

In 1995, mobile telephone users are expected to increase by 1.5 million while subscribers of paging service by 4.5 million. At the same time of further developing the analogue communication network, the Ministry of Post and Telecommunication will start the operation of the GSM system (a digital mobile communication service) in some areas and will launch experiments and research on CDMA technology. The SDH technology (a digital microwave transmission service), ground satellite stations and VSAT will all be used to develop communications in remote areas of China.

Wireless communication in China has maintained rapid development speed in recent years. The country had 1.57 million mobile telephone users and 10.27 million paging subscribers by the end of last year. The mobile communication service is expected to rapidly develop in the country in the coming few years.

'Sources': Nation Advances CAT Scan Technology

OW2104111995 Beijing XINHUA in English 1005 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—Significant progress in both research and application of CAT scan technology has pushed China to the forefront in this field, according to local sources from the Asian CAT [computerized axial tomography] Scan Technology Appraisal Review.

CAT scan technology has had some breakthroughs in Asia in recent years, in going from medicine to industrial, global, and computing, and the technical level has been constantly improved, bringing many benefits.

China Petroleum University has reportedly caught world's attention with its 1 meter CAT scan photo resolution power for detecting oil fields on the loess plateau in west China. It has gotten better results than those of the methods used by the US and European Community. This is believed to have potential economic benefits.

A Sino-Japanese survey of underground ancient tombs in the Three Gorges area reported that the application of CAT scan technology had provided archaeologists with important data and colored pictures on the depth, shape, as well as the internal structure. Specialists said that its reliability is 20 times that of present methods, at a much lower cost, and may modernize China's archaeological methods.

Traditional medical CAT scan technology keeps improving in Asia. The Shimazu Corporation of Japan has developed a panorama type of device to detect benign and malignant tumors. Northeast China University has also been successful in designing an independent diagnostic system, which reportedly enables the technician to scan patients as quickly as a doctor using X-rays.

It has been learned that the Appraisal Review on Asia CAT Scan Technology Progress will become an annual event, and its goal is to inform society about significant advancements in CAT scan technology, as well as to generate social and economic benefits.

Military & Public Security

Circular Urges Crackdown on Illicit Seal Carving
OW2104150095 Beijing XINHUA Domestic Service in Chinese 0607 GMT 14 Apr 95

[FBIS Translated Text] Beijing, 14 Apr (XINHUA)—The Public Security Ministry and the State Administration for Industry and Commerce recently issued a joint circular urging public security organs and industrial and commercial administrative departments in all localities to firmly crack down on illicit seal-carving stalls, and to sternly investigate and deal with illegal and criminal activities involving seal counterfeiting.

It has been reported that illegal and criminal activities involving seal counterfeiting have resurfaced. Some vagrants set up illicit stalls at roadsides and beachheads; some get other people to tout business while they illegally carve official seals in secret dens. Lawbreakers use false seals to wantonly engage in fraudulent practices, thus seriously disrupting national economic order; some of these practices have even had adverse political effects.

The circular urged public security organs and industrial and commercial administrative departments in all localities to conduct a thorough inspection of local seal-carving stalls; to firmly clamp down on stalls that illicitly undertake seal-carving business; and to take strong measures in accordance with the law against people who solicit business for illicit seal carvers or who illegally trade in seals. Self-employed seal carvers with legitimate

special trade permits and business licenses may only do business at specified sites; they may not randomly set up stalls at roadsides and bridgeheads, or undertake business to carve official seals.

People who falsify seals should be firmly investigated until the matter is brought to an end; both patron and carver should be investigated on criminal grounds in accordance with the law. Illegal seal carvers who move from place to place to set up stalls should be firmly outlawed; public security organs and industrial and commercial administrative departments should punish them in accordance with relevant provisions. Those whose actions constitute crimes should be investigated on criminal grounds in accordance with the law.

The circular stressed: Public security organs should strictly follow guidelines for reviewing and approving applications for starting seal-carving businesses. They should exercise day-to-day management over seal-carving businesses, and turn down applications if the applicants do not have local permanent residence status, have been punished for criminal offenses, or have no fixed business sites. Industrial and commercial administrative departments may not issue business licenses to applicants who do not have special trade permits issued by public security organs.

'Official': Nation To Simplify Customs Formalities

OW2104144695 Beijing XINHUA in English 1438 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—China's customs will further simplify customs procedures for both Chinese and foreign travellers, a senior customs officer said here today.

The number of travellers checked by the Chinese customs has increased constantly over recent years, the officer said, and last year, the customs officials checked a total of 110 million people, 10 million more than in the previous year.

In the first quarter of this year, according to the officer, the number of travellers checked was over 27 million, a rise of 8.8 percent over the same period of last year.

As part of the efforts to reform the customs procedures, a drive called "95: the year of travelers" was launched today in the country's 140 customs posts.

Directives and questionnaires have been printed and will be distributed to passengers before they go through customs procedures, customs officer said.

General

Li Peng Lands Pudong's Development

OW2104163295 Beijing XINHUA in English 1608
GMT 21 Apr 95

[FBIS Transcribed Text] Shanghai, April 21 (XINHUA)—The achievements of the Pudong New Area's development and opening up over the past five years are widely acknowledged at home and abroad and China's basic policy on Pudong, in Shanghai, will not change.

These remarks were made by Li Peng, premier of the State Council, during an inspection trip to this, China's largest industrial city from April 18 to 21.

Since China announced the opening of Pudong in 1990, he said, the area has made important headway in infrastructure construction, and a number of key projects have been completed as the investment environment conditions have improved markedly.

By now, Li said, the area has built an export-oriented economy covering finance, trade and export processing. Meanwhile, he said, the area has made rapid development in economic and technological co-operation with the outside world, which has helped strengthen its economic power, making the area a new powerhouse for Shanghai, he said.

Over the past five years, he said, retired senior leader Deng Xiaoping has repeatedly voiced his support for the development of Pudong, and the current Communist Party Central Committee with Jiang Zemin as the core has shown great concern over Pudong's development.

Pudong's achievements are a result of the correct leadership of the Party Central Committee and the State Council, as well as the concerted efforts of people from across the country, besides the efforts made by people in Shanghai, he said.

He assured local officials that the policy of the Communist Party Central Committee and the State Council toward Pudong will not change. But there will be reasonable adjustments made to details and measures in the course of the establishment of the socialist market economy so as to safeguard the further opening up of Pudong, he said.

Besides Pudong, the Chinese premier also visited vegetable production bases, some state-owned enterprises and foodstuffs production units, accompanied by Huang Ju, a member of the Political Bureau of the Communist Party Central Committee and Party secretary of Shanghai, Mayor Xu Kuangdi and other officials.

On the reform of state-owned enterprises, he said, the state-owned enterprises in Shanghai show promise in the course of reform as they have found their own ways and mapped out their own measures for such reform. Local

governments should concentrate on key enterprises in order to pave the way for reform and development in other enterprises.

The Chinese premier said he was glad to see that Shanghai has built over eight million sq m of residential buildings. He urged local officials to limit the number of high-class housing construction projects. Real estate development, he said, should stress housing construction for the masses along with relevant construction of water and electricity supplies, and road construction.

Li Tieying Urges Better Copyright Law Enforcement

OW2204091595 Beijing China Radio International in English to Western North America 0400 GMT
14 Apr 95

[From the "News About China" program]

[FBIS Transcribed Text] China is campaigning to clean up copyright problems. The decision was made on Thursday [13 April] at the closing session of a meeting on copyright protection.

Addressing the meeting, Chinese State Councillor Li Tieying urged officials to tighten their legal enforcement and to concentrate on major cases concerning copyright. He stresses copyright protection is an important part of the nation's reform and opening process and a component of the socialist legal system. He adds that it's essential for normal operations of the socialist market economy.

Li Tieying also says copyright protection is a prerequisite for international scientific cooperation and cultural exchanges.

Li Tieying Views Socialist Market Economy

OW2304140295 Beijing XINHUA Domestic Service in Chinese 1059 GMT 11 Apr 95

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 11 Apr (XINHUA)—Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and minister in charge of the State Economic Restructuring Commission, expounded on the question of the establishment of a socialist market economy at the 1995 China International Economic Forum. Li Tieying pointed out that China's socialist market economy has two main features: First, the publicly owned economic sector constituting the mainstay; and second, the goal of economic development is to realize common prosperity.

Li Tieying said: The market economy is an abundant and colorful system. Countries which practice a market economy have some common characteristics and also different features. Under the system of the market economy, enterprise compete on equal and fair basis, property ownership is protected, contracts can be signed

freely, the state intervenes in an appropriate manner, the weak sectors are protected, and social justice is maintained. In those aspects, China's socialist market economic system has common characteristics with other countries which practice a market economy. However, countries which practice the market economy also have their respective and different features owing to different levels of development, great differences in history and culture, and different emphasis on problems to be solved. Copying the specific modes of other countries without taking the characteristics of its own country into consideration or using own pattern as a yardstick to judge, evaluate, and criticize other countries' economic system are not based on the spirit of seeking truth and mutual respect and not conducive to learning from each other and promoting common development.

Li Tiesing pointed out: In the course of establishing a socialist market economy, China persisted in proceeding from its own national conditions, summing up its own experiences, absorbing and learning successful experiences from other countries, correctly handling relations between reform, development and stability, and maintaining a sustained, rapid, and healthy development of its economy. Practices have proven that this kind of reform in a gradual manner is successful and profoundly supported by the people. China will firmly proceed along this road.

When introducing China's situation in improving legal system to suit the socialist market economy, Li Tiesing said: China has carried out profound reforms in its legal system to reflect people's will and law of the market economy as follows:

- Revising the Constitution. In 1993, the First Session of the Eighth Chinese National People's Congress adopted a bill to amend the Constitution, eliminating articles related to the planned economy, and clearly stipulated that "China implements a socialist market economy."
- Improving civil and business laws. The General Principles of Civil Law formulated in 1986 have reflected the demand of the law of the market economy. In the category of commercial laws, the Company Law and the Maritime Law have been enacted. The Insurance Law, the Commercial Instruments Law and the Securities Law are being examined. It is expected that those commercial laws can be passed before the end of 1995. Those laws will provide a basic legal system for the development of a market economy in China.
- Perfecting economic laws. China has enacted Laws on Unfair Competition, the Law on Protecting Consumers' Rights and Interests, the Product Quality Law, and the Advertisement Law. China is formulating an anti-monopoly law to create a favorable environment for competition and protect fair competition in the market. In addition, China has formulated the Budget Law, the Auditing Law, the Law on the People's Bank of China, the Accounting Law, the

Law on Tax Collection and Administration, Personal Income Tax Law, and the Land Administration Law. Those laws have strengthened the state's ability to enforce macrocontrol of the economy in accordance with the law.

- Formulating social laws. China attaches great importance to human rights and the development of people. China has successively enacted important laws including the Labor Law, the Trade Union Law, the Law on Protecting the Disabled, and the Law on Protecting Women's Rights and Interests. It is now drafting a social insurance law and social security law to gradually replace the old security system of having the state undertake everything.
- Perfecting the Administrative Procedures Law and the Criminal Law. China has promulgated the Regulations Governing State Functionaries, formulated the Law of Administrative Procedures and the State Compensation Law, and is formulating laws on public functionaries, administrative organizations, and administrative procedures to guide government administration onto the legal track. In this way, the government will govern in accordance with the law and the administration of economic affairs will be highly efficient and honest. China has perfected the Criminal Law to punish economic crimes and maintain economic order in the market.

Leading Group To Reform Liaoning's Industrial Base

OW2404043495 Beijing XINHUA in English 0325 GMT 24 Apr 95

[FBIS Transcribed Text] Shenyang, April 24 (XINHUA)—The Chinese central government has formed a special leading group to transform and readjust the industrial structure of the old industrial base of Liaoning, a northeastern province.

The leading group is headed by new vice-premier Wu Bangguo, a former mayor of Shanghai, and consists of officials from such government departments as the State Planning Commission, the State Commission of Foreign Trade and Economic Co-operation, the Finance Ministry, the State Council Development Research Center and the People's Bank of China.

It is learned that the major task for the leading group is to make an economic development plan for the province in accordance with its current industrial structure, which will enable it to make better use of its advantages, become market oriented and fall in line with the country's whole industrial policy. The plan will be included in China's Ninth Five-Year Plan.

The province has drawn up a preliminary development scheme to put its main efforts into developing some supporting industries like machinery, automobiles, electronics and other high-tech industries.

In mid-April this year Li Ruihuan, a member of the Political Bureau Standing Committee of the Chinese Communist Party Central Committee and also chairman of the Chinese People's Political Consultative Conference, inspected the province and looked into the problems of its large and medium-sized State enterprises.

Li emphasized during the inspection that enterprises should change their management mechanisms and move toward market-orientation, while the State will provide favorable policies and ensure free competition.

Wu Bangguo Inspects Hubei 7-13 Apr

OW2404094795 Beijing XINHUA Domestic Service in Chinese 1448 GMT 13 Apr 95

[By reporter Tang Weibin (0781 5898 1755)]

[FBIS Translated Text] Wuhan, 13 Apr (XINHUA)—During an inspection of Hubei from 7 through 13 April, Wu Bangguo, Political Bureau and Secretariat member of the CPC Central Committee and State Council vice premier, emphasized: One of the major aspects in enterprises' implementation of the guidelines of the party Central Committee and State Council for this year's work is to adopt measures to deal with problems in economic operations and to ensure operational coordination in production. In conjunction with the formulation of the Ninth Five-Year Plan, all localities should pay close attention to drafting enterprise development plans.

Accompanied by Jia Zhijie, secretary of the Hubei provincial party committee, Wu Bangguo visited Wuhan and Huangshi cities, Hongan county, and Xiaogan city successively. He inspected a dozen enterprises, including the Dongfeng Automobile Group's Shenlong Automobile Company base, the Wuhan Iron and Steel Company, the China Sanjiang Aviation Group Company, the Hanyang Paper Mill, and the Wuhan Yudahua Textile Group; and attended a discussion with managers of 10 large enterprises in Hubei Province. He visited and paid respects to the Huangma Uprising site, the Hubei-Henan-Anhui Soviet District's revolutionary martyrs' cemetery, and the late Li Xiannian's former residence. He also heard briefings on the work of Hubei Province; Wuhan, Huangshi, and Xiaogan cities; Huanggan prefecture; and Hongan county.

Wu Bangguo said: Hubei, an old important national industrial base, has an advantage in its good geographical location and abounds in resources. In recent years, last year in particular, the province scored gratifying achievements in rapid economic growth and steady social development. Since the beginning of this year, the provincial party committee, in accordance with the guidelines of the central economic work conference and Third Session of the Eighth National People's Congress, has adopted strong and effective measures to implement the guidelines, focusing on three areas—reinforcing agriculture, curbing inflation, and deepening the reform of enterprises—thereby maintaining good momentum for

development. He urged Hubei to seek every possible opportunity arising from the expansion of Pudong [in Shanghai], the Three Gorges construction project, and the Beijing-Jiulong Railway that runs through the province, to maintain the good momentum for provincial economic development.

Discussing operational coordination in the production of enterprises, he pointed out: Relevant departments of governments at all levels should help enterprises adjust their production to market demand; and apply regulatory and control means, such as credit, energy, raw materials supplies, and priority in shipment, to increase the production of goods in great demand, to limit the production of goods of average sales, and to stop producing unmarketable products. Particular attention must be paid to limiting the production of overstocked goods, to suspending operations of enterprises that produce unmarketable goods, and transferring such enterprises to other lines of production.

He said: We should improve the supervision over marketing and management of enterprises, and fire the enthusiasm of their marketing personnel and after-sales servicing personnel. We should make a concerted effort to conduct market studies and forecasts; keep abreast of adjustments and changes of the state's macroeconomic policy, including the industrial policy; should study opportunities and effects that macroeconomic regulation and control may bring about; and should enable enterprises to make operational decisions in keeping with market changes and with the state's macroeconomic regulation and control policy. We should adopt a system, as well as rules and regulations, on policymaking, development, management, and marketing, that are compatible with the requirements of a market economy and with the establishment of a modern enterprise; and should gradually explore, perfect, and develop methods for managing enterprises according to the modern enterprise system.

He emphasized: Currently, enterprises at large are experiencing strains on funds and serious debt chains. These phenomena have been caused by the macroeconomic factor as well as problems within enterprises themselves. As far as enterprises are concerned, poor economic efficiency, unmarketable products, and lax management have given rise to the phenomena. Therefore, enterprise directors should improve management and work hard to raise the quality and efficiency of enterprises' economic expansion. In production and operations, it is necessary to follow the principle of production according to sales, and to step up collection of loans. It is also necessary to strengthen management and reinforce discipline in the settlement of accounts, so as to prevent new debts and to speed up the circulation of funds. As far as macroeconomic measures are concerned, the departments concerned and banks should give preferential treatment in terms of working funds to enterprises that manufacture marketable products with good efficiency and are capable of repaying loans so that such enterprises can bring their production capacity into full play.

On enterprises' development plans, Wu Bangguo said: The state and various localities are drafting the Ninth Five-Year Plan, which will cover a crucial period for realizing China's socialist modernization drive. During the period, China will comprehensively achieve the second-step strategic goal and lay the foundation for the third-step strategic goal. All localities should draw up sound local development plans by fostering strengths and circumventing weaknesses under the guidance of state plans and in light of the realities in each locality. In carrying out economic work during the Ninth Five-Year Plan period, we should make the best use of the current assets in stock, and organically combine the restructuring, reform, and transformation of enterprises so as to facilitate the flow of production elements to enterprises with better economic performance in keeping with the industrial policy, and to optimize the allocation of assets. Enterprises in all localities should seize the opportunity of drafting national and local Ninth Five-Year Plans in drawing up their own development plans.

Discussing enterprises' technical transformation, he emphasized: It is very important to select projects for upgrading technology, and we should be very prudent in conducting feasibility analyses. First of all, we should analyze market demand, not only analyzing the current market but also taking the potential market into account. Second, we should analyze the efficiency of projects, fully considering the rate of investment returns as well as conducting breakeven analysis of a project and feasibility study of the input and output. Third, we should do things within available financial means, and clearly define various projects in the order of importance and urgency. Projects whose funds are not allocated should be considered only after funds become available. Once a project is decided upon, it is necessary to do everything possible to pool funds and to go all out to carry out the project, thereby obtaining the appropriate efficiency and building up the competitiveness of enterprises.

East, West Urged To Cooperate on Industry
OW2204145295 Beijing XINHUA in English 1442
GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—The provinces and autonomous regions in eastern and western China were urged today to join hands in the development of township enterprises so as to bridge the gap in economic development between the eastern coastal provinces and remote western part of the country.

At a special conference called by the Ministry of Agriculture today, State Councilor Chen Junsheng called such co-operation a successful road to achieve sustained and coordinated development between different regions.

To help some areas to get rich first and then to bring along other regions to prosperity so as to attain common prosperity is a correct policy in promoting reform and opening to the outside world, he said.

Such a measure, he said, has promoted the rapid economic development of the coastal areas of east China, intensified the comprehensive strength of the country and helped bridge the gap in economic development between China and the rest of the world.

Chen said the solution to bridging the gap between eastern and western China in economic development lies in the development of township industry. The central and western parts of China contain two-thirds of China's population, while the output value from their township enterprises makes up only one third of China's total.

This situation, he said, has been an obstacle for China to realize the goal of ensuring that the Chinese people live more comfortable lives by the end of the century.

To promote co-operation between eastern and western China in the development of township industry, he said, localities should strengthen leadership and support for them. The co-operation is not only essential for the economic development of the central and western parts of China but also an important strategic measure to further township industrial development in the eastern part, he said.

The State Councilor also urged central and local government departments to increase the investment in pilot projects through such co-operation, enhance skill training and integrate economic research findings with social and ecological achievements.

Liu Jiang, minister of agriculture, told the conference that major central government departments like the State Planning Commission, the Ministry of Finance and the People's Bank of China as well as 20 provinces and autonomous regions have expressed their support for such co-operation. Sixteen of these provinces or autonomous regions have established partnerships with each other, and the Ministry of Agriculture has approved the establishment of 124 pilot zones in the central and western parts of the country.

Fewer Officials in Enterprise Management
HK2304072495 Beijing CHINA DAILY in English 22
Apr 95 p 1

[Article by Qu Yingpu: "Survey Shows Entrepreneurs Play Bigger Role"]

[FBIS Transcribed Text] The percentage of Party and government officials holding managerial positions in enterprises is declining while more and more entrepreneurs seek independence from government departments.

This was part of the results of a national survey announced yesterday at a one-day symposium on Chinese entrepreneurs sponsored by the Development and Research Centre of the State Council and the State Economic and Trade Commission.

The meeting attracted 71 entrepreneurs from around the nation. More than 100 economists and senior government officials from foreign and domestic trade ministries, administrations of taxation and statistics, and the State Planning Commission also attended.

China Entrepreneurs Survey System sponsored this study of business priorities, risks and pressures of entrepreneurs.

Sun Shangqing, head of the research centre which operates under the State Council, said the meeting and survey will become annual events aimed at helping the central government map out reform policies for State-owned enterprises.

"Entrepreneurs are playing an important part in the on-going reform of business management systems," he said. This is one of the government's top priorities this year.

Pilot

The country is designating 500-1,000 new large State-owned enterprises to pilot the reforms, Sun added.

Zhu Li, Vice-Chairman of China Securities Regulatory Commission, said the meeting and survey function as a bridge between entrepreneurs and government administrators, adding that improvements in the structure and quality of enterprises will be the corner stone for further development of China's securities markets.

Survey results indicate the ratio of entrepreneurs with managerial background grew 9.7 percentage points from 37.6 percent to 47.3 percent in 1994. The increase among State-owned enterprises was found to be 10.3 percentage points from 35.2 percent to 45.5 percent.

Collectively-run enterprises have 55.9 percent of their entrepreneurs with managerial background, 17.8 percent are technicians, and 8.2 per cent have other backgrounds.

Almost 42 percent of those surveyed agree enterprises should lose their administrative level status and become independent from government administration. Eight per cent disagree and the rest "don't care."

This compares with 1993 when more entrepreneurs wanted to become "independent and professional business people," according to a survey analyst at the meeting.

The survey also discovered that the shortage of talented technicians and managerial staff is the major problem haunting entrepreneurs.

The survey was conducted among 9,000 State-owned, collective, foreign-funded and private firms nationwide in the areas of mining, manufacturing, construction, transportation, telecommunications, commerce, services, trade, finance and real estate.

State Enterprises 'Responsible' for Wrong Decisions

HK2204014195 Beijing ZHONGGUO XINWEN SHE
in English 1334 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (CNS)—China will strictly implement the responsibility system in which state-owned enterprises have to be responsible for faults found with their policy making, a move to meet the needs of the reform of state-owned enterprises carried out this year, according to the State Commission for Restructuring the Economy and the State Economic and Trade Commission.

A policy maker has to shoulder the responsibility which will either be dismissal or demotion as punishment if one is found faults in one's decision making and consequently leads to a loss suffered by an enterprise concerned because of violation of the management principle of modern enterprises which is either due to the policy maker's subjective factors or bureaucracy. [sentence as received] The wrong decision making is no longer settled by a mere review nor a transfer of the policy maker concerned to another post.

Introduction of the responsibility system is considered an important measure ever adopted for the restructuring of state-owned enterprises which have to strictly observe this practice.

China To Register State Property Rights

OW2404090695 Beijing XINHUA in English 0849
GMT 24 Apr 95

[FBIS Transcribed Text] Beijing, April 24 (XINHUA)—China will introduce a system of registering the property rights of all state property possessed and administered by government departments and institutions, the State Administration of State Property (SASP) announced here today.

SASP sources said that the state property watchdog has already published detailed rules for the registration work, which will be kicked off on January 1 next year.

According to the sources, the rules are a further explanation of the clauses on property rights registration contained in the country's first complete set of management regulations on state property owned and administered by government departments and institutions, which was jointly released by the SASP and the Ministry of Finance in February.

The state property rights registration certificates to be issued by the SASP will serve as legal proof that the state owns the property of government departments and institutions, the newly published rules say.

They stipulate that all government departments and institutions that possess and administer state properties must get their property rights registered.

Penalties will be meted out to those departments or institutions that do not do so, said the rules, which also suggest that a property rights file be made.

Official statistics put the value of state property possessed and administered by government departments and institutions at 892.4 billion yuan (about 106 billion US dollars) by the end of 1993, some 25.5 percent of the total value of all state property.

State Firms Improve Performance, Raise Output

HK2404044895 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 8

[Article by Yun He: "State Firms Gear Up To Meet High Demand"]

[FBIS Transcribed Text] Encouraged by improvement in their overall economic performance, State-owned firms are gearing up production to meet rising demand for industrial products on the domestic market.

Figures from the State Statistics Bureau show that during the first quarter of this year, the total output value of State-owned Chinese firms chalked up a year-on-year growth of 17.1 per cent to reach 1,371.37 billion yuan (\$163.25 billion).

With their streamlined product mix, the country's 100,000 State firms are determined to capitalize on ballooning domestic demand as the gross national product racks up annual growth rates like the 11.2 per cent figure posted during the first quarter of this year.

Although 46.8 per cent of the State firms were still losing money, none are willing to admit defeat or surrender operations, bureau economists said.

Many State firms believe the less they produce, the fewer business opportunities they'll have.

Along with the production speed-up, sales of their products have also increased this year. This development has been attributed to deepening reforms in setting up a modern management system at State-owned enterprises.

The bureau said that during the first quarter of this year, the number of money-losing State firms decreased 2.8 percentage points from the same period a year ago.

The losses, posted by already deficit-ridden State firms, also dropped 4.7 per cent from the same period last year to reach 14.8 billion yuan (\$1.76 billion).

The State firms' output value reached 421.92 billion yuan (\$50.2 billion) in January this year, a drop of 32.9 per cent from December of last year.

But in March their output value topped 531.85 billion yuan (\$63.31 billion), an increase of 30.7 percent from February this year.

The central government plans to take bold steps this year—including closing some of the country's State

firms—to build a modern business management system in the State-owned industrial sector.

A major focus of this year's economic reforms will be pushing them onto the open market through further decreases in regulation of production, marketing, pricing, management and employment, said bureau economist Zhang Yingxiang.

State firms will eventually make their own decisions on production, pricing, staff, profits and investment planning while taking responsibility for their assets and liabilities.

Official Discusses Modern Enterprise System

OW2304134695 Beijing XINHUA Domestic Service in Chinese 0935 GMT 31 Mar 95

[By reporter Chu Baoping (2806 0202 1627)]

[FBIS Translated Text] Beijing, 31 Mar (XINHUA)—A telephone conference on participation by trade unions in implementing the modern enterprise system at selected enterprises on a trial basis was held here today. Yang Xingfu, vice president of the All-China Federation of Trade Unions, said at the conference: To implement the modern enterprise system at selected enterprises on a trial basis is pioneering work. Trade unions at various levels should take an active part in it, practice it boldly, and accumulate experience for deepening the reform.

Yang Xingfu said: At present, the experiment on the modern enterprise system at selected enterprises has just started. Trade unions at various levels should represent the workers and staff members to actively participate in the formulation of the overall experiment plan, articles of incorporation, and other plans, which should include ways and means to improve the trade union work and the system of democratic management of workers and staff members. It is necessary to convene well the workers' congress. The overall experiment plan and reform measures should be examined, discussed, and adopted by the workers' congress so that they represent the common aspirations of the workers and staff members. It is necessary to do a good job in nominating and electing members of the board of directors and the board of supervisors from among the workers and staff members. The responsible persons of the trade union in an enterprise should be elected by the workers and staff members and they should be on the board of directors and the board of supervisors as the representatives of workers and staff members. The trade union should take the initiative in coordinating with the enterprise management and do a good job in conducting negotiations on an equal footing and in practicing the collective contract system.

At today's conference, the Hebei Provincial Trade Union Council, Sichuan's Jinhua Company, Ltd., Shandong's Gaomi Chemical Fiber Company, Ltd., Changchun's Automobile City General Merchandise Group Company, Ltd., Baoding Transformer Plant, and

Jiangsu's Wuxi Weifu Group Company separately reported their practices and experience.

Zhang Dinghua, vice president of the All-China Federation of Trade Unions, attended the conference.

Hu Angang Report on Economic Fluctuation Reviewed

HK2104133095 Beijing ZHONGGUO XINWEN SHE in English 1216 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (CNS)—“What caused China's economic development to fluctuate drastically” and “how can we prevent or avoid such great fluctuations” are issues raised and explored in Dr. Hu Angang's in-depth study, “China Economic Fluctuation Report”, published by the Liaoning People's Publishing House.

The 310,000-word report, commissioned by the Chinese Academy of Sciences and the Committee of the State Natural Science Foundation, was completed in three years.

Hu said in the report that rapid economic growth and cyclical economic fluctuations were two obvious features of contemporary China's economic development. The main characteristics of the cyclical fluctuations in China's economy are as follows:

- Duration of each fluctuation was unevenly spread with the extension period longer than the contraction period;
- Economic fluctuations seriously affected economic growth;
- Two short-term cyclical periods would constitute one medium-term cyclical period, while a big-scale economic adjustment would appear every ten years;
- Coefficients of China's economic fluctuations, which were greater than that of Western countries, were 4.3 times higher than the average level around the world.

Hu discovered that the extent of China's economic fluctuations had obviously seen a slower trend since the launch of reforms in China. There was a sharp drop in economic fluctuation coefficient, which was closely related to the change in factors deciding China's economic growth.

After comprehensive coverage on the causes of China's economic fluctuations, Hu put forward a number of suggestions to stabilize China's economy which include:

- To maintain a stable growth in a fast-growing economy and to realize a continuous growth in a stable economy;
- To maintain a reasonable economic growth rate;
- To stabilize commodity prices;

—To achieve a basic balance between income and expenditure;

—To launch development projects according to national strength;

—To develop industry and agriculture rationally. The proper ratio between the growth rates of agriculture and industry should be 1:2 to 2.5.

'Stop Interfering' in Reforms

HK2404060095 Hong Kong HONGKONG STANDARD in English 24 Apr 95 p 6

[By Amy Liu]

[FBIS Transcribed Text] China's political leaders should stop interfering in market economy reforms for the sake of a stable, progressive economy, according to a leading China researcher.

Hu Angang, the leader of a research group at the Chinese Academy of Science, delivered the warning following his recent completion of a theory on the country's political and economic conditions. He blames the country's political situation for the great economic fluctuations in China during past decades.

Mr Hu said Chinese leaders should not pursue high economic growth through political orders, but reach a favourable, stable and progressive economic growth naturally.

China should adopt a stable economic growth rate not only in drafting a development plan for the coming five years but also for the blueprints crossing this century, he said.

It would be ideal if China, in the next decade, adopted an annual growth of 8-9 percent, with an annual increase of 40 percent of capital investment both from overseas and at home. This should provide grounds for maintaining a low inflation rate of 5 to 6 percent, Mr Hu said.

China had appeared to follow an economic cycle of “four ups and three downs” since 1979, he said, stressing that the ruling Communist Party had been acting as both catalyst and stabiliser for the economy.

Criticising China's lack of an efficient mechanism in pushing the nation's economy ahead, Mr Hu said the economy was affected significantly by political campaigns and administrative instructions.

“China's economy grows drastically after a political party meeting has been convened,” Mr Hu said, adding that economic stagnation appeared when there was political turmoil.

However, China was now entering into the fourth economic low valley, he said.

While calling on the Chinese leadership to draw lessons from the past and cease applying political instructions to

interfere in the nation's economy, Mr Hu praised the austerity measures imposed by Vice-Premier Zhu Rongji.

"China still needs one to two years to rectify the current economic chaos," he said, adding that inflation and unemployment remained the main problems in coming years.

"China will surely gain the economic achievements, but stability remains an uncertainty," Mr Hu said.

In an effort to avoid past economic fluctuations, high-speed economic growth should not be adopted in the near future, he said, while calling for a balanced budget and more investment in agriculture.

Official Says Output of Consumer Goods Increases

OW2104112495 Beijing XINHUA in English 0928 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—The output of consumer goods rose by 20.2 percent in the first quarter of this year, surpassing the rate of heavy industrial goods, in line with growing consumer demand, according to the State Statistics Bureau.

Those products that recorded the fastest growth include beer, tape-recorders, electric fans, and refrigerators, an official with the bureau said.

Among other common items, cigarettes jumped 9.22 percent, color televisions, 7.15 percent, chemical fibers, 5.23 percent, cloth, 7.7 percent, and sugar, 0.69 percent.

"These goods now basically meet urban and rural needs", the official said.

9th Five-Year Plan To Replace 1.8 Million Cars

HK2404030695 Beijing ZHONGGUO XINWEN SHE in English 0555 GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (CNS)—According to a recently drafted plan, some 1.8 million cars will be replaced in China within the 9th Five Years' Plan period (1996-2000). During the 8th Five Years' Plan period, one million unworthy cars have been replaced.

According to government statistics, there were about 9 million non-military cars in China at the end of 1994, of which about 2.1 million failed to meet the required standard and needed to be replaced. However, because of financial difficulty of certain car owners, some of the vehicles will extend their service for a short period, and only 1.8 million ones are planned to be replaced in the period.

In line with government regulations, a total of 600,000 cars will be replaced within the first two years of the 9th

Five Years' Plan period whereas 350,000, 400,000 and 450,000 cars are to be replaced in 1998, 1999 and 2000 respectively.

The national leading group in charge of car replacement has requested relevant departments at various levels to conduct a comprehensive survey on quantity, mileage records, life span and condition of quality of various types of available vehicles. Those vehicles failing to meet the required standard and those put into service before 1985 will be included into the replacement plan.

Haikou Hosts Symposium on Development of SEZ's

OW2104112595 Beijing XINHUA in English 1016 GMT 21 Apr 95

[FBIS Transcribed Text] Haikou, April 21 (XINHUA)—Chinese and overseas economists said at a recent symposium that China's special economic zones (SEZ) have played an exemplary role for the country's market economy.

Sponsored by the China (Hainan) Institute of Reform and Development and the United Nations Development Program, the symposium drew dozens of economists to the capital city of south China's Hainan Province, one of China's five SEZs.

Four other coastal special economic zones have been set up in the past 15 years, in Shenzhen, Shantou, and Zhuhai in Guangdong Province, and Xiamen in Fujian Province.

Economist Yu Guangyuan said that the booming SEZs are not bad for the growth of inland areas, but, have rather served as an impetus to the nation's overall economic growth, and the further expansion of SEZs should not be sacrificed for the sake of a balanced development of the western and eastern parts of China.

Other economists said that future reforms in SEZs should focus on an early establishment of modern enterprise system, faster fostering and development of a market system, quick shifting of government functions, greater international co-operation, and quick reform of the administrative system and an enhanced democratic and legal system.

The scholars attributed the SEZs' fast growth during the past decade to favorable policies and local autonomy granted by the central government. The further development of the SEZs in the coming years will also depend on the government support in terms of macro policies and autonomy, they added.

The participants also had heated discussions on some theoretical and practical problems facing the country's SEZs.

Attending the symposium were some 80 economists and scholars from Australia, the United States, the Asian Development Bank, and China, as well as Taiwan and Hong Kong regions.

Tax Revenues Grow Rapidly in 1st Quarter

*OW2204140495 Beijing XINHUA in English 1357
GMT 22 Apr 95*

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—China's industrial and commercial tax revenues reached 103.83 billion yuan in the first quarter of this year, an increase of 27.9 billion yuan or 26.8 percent over the same period of last year, according to an official from the State Taxation Administration.

The official attributed this rapid growth to stable economic performance and a steady increase in production in the first three months of the year as well as consolidation and improvement of the new tax system, which went into effect early last year.

Of the total industrial and commercial tax payment, he said, taxes from enterprises administered by the central government grew by 22.3 percent, while that paid by local government-administered enterprises rose by 32.4 percent over the same period of last year.

Rural Industries Show 29% Growth in First Quarter

*HK2304023095 Beijing CHINA DAILY in English 21
Apr 95 p 5*

[By Wang Yonghong: "Rural Industries Develop Quickly"]

[FBIS Transcribed Text] China's rural industries made good performances in the last quarter despite various difficulties, according to an official from the Ministry of Agriculture.

The total output value of rural enterprises reached 1,560 billion yuan (\$185.7 billion) in the first quarter this year, said Ji Cai, an official from the Township Enterprises Bureau of the Ministry of Agriculture.

The figures meant a 29 percent growth rate compared with the same period of last year.

It was fairly fast, said the official, but much slower than in the same period of last year when it grew by 47 percent as the Chinese Government tightens credit and stresses efficiency instead of growth rate.

Rural enterprises have become an important sources of income of Chinese farmers. Last year, they generated a total of 3,918 billion yuan (\$466 billion), producing 30 percent of the gross domestic production value and about half of the national industrial output value.

Rural enterprises employed a total of 120 million surplus labourers in the countryside by the end of 1994.

This year, the efficiency of rural enterprises was further improved with a better economic return in the first quarter of this year, said the official, adding that 91 percent of products made by rural enterprises were marketed, 2 percentage points higher than last year.

The total business income reached 1,420 billion yuan (\$169 billion) in the past three months, up 32 percent over the same period of last year, while handing over 41.3 billion yuan (\$4.9 billion) as taxes to the State revenue with 20 percent up.

On the other hand, rural enterprises had delivered about 111 billion yuan (\$13.2 billion) worth of goods for export by the end of March, 34 percent more than in the three months of 1994.

Meanwhile, more than 260 rural enterprises have been granted the right to handle imports and exports, while township enterprises have opened over 400 firms in foreign countries, with investment totalling nearly 400 million yuan (\$47.6 million).

Despite the high growth rate, the official noted, the township enterprises are facing increasing difficulties due to acute shortage of funds, heavier tax burdens and poor management and operation.

"Many problems are plaguing China's rural firms, such as a serious lack of capital, rising loan interest rates, higher taxes and levies and increasing costs of raw materials, energy and transportation," the official said.

He added that rural firms face fierce competition and challenges both at home and abroad, but explained that the current reforms of State-owned enterprises and the further opening to the outside world will make rural enterprises more competitive.

The official urged rural firms to continue their reform of property rights and management, improvement of management and quality and reduction of environmental pollution.

Rural enterprises stepped up their reform measures, such as leasing, mergers, and the introduction of the responsibility and shareholding systems, to improve their productivity, he said.

To date, more than 200,000 rural collectively-run enterprises have become share-holding firms.

Poll Shows Guangzhou State Workers Support Reform

*HK2204014395 Beijing ZHONGGUO XINWEN SHE
in English 1400 GMT 21 Apr 95*

[FBIS Transcribed Text] Guangzhou, April 21 (CNS)—The transfer of the operational mechanism of state-owned enterprises is regarded as a key move in the current course of reform. But is the effect of reform on the livelihood of state-owned enterprise employees, and what are their opinions on the reform? [sentence as received]

In Guangzhou recently, a questionnaire was issued to some employees of state-owned enterprises. The survey showed that in respect of the living standards, the monthly income of these employees registered over

RMB [renminbi] 400 per capita, slightly lower than the average level of local residents in 1993. In respect of welfare, most employees enjoy free medical care, which was practised right across Guangzhou. Per capita living space of the employees was also slightly lower than the average living space enjoyed by local residents.

The survey also found that most employees of state-owned enterprises support the reform and are optimistic about the prospects.

As to the responding to the statement: "only by transfer of the operational mechanism do the state-owned enterprises have a future", 62.7 percent of employees agreed, 2.5 disagreed and 34.7 percent were unclear. On the question of "the state-owned enterprises should reform the sales system", 78.3 percent agreed, 2.1 percent disagreed and 19.6 percent were non-committal. On "the great gap between the rich and the poor is unacceptable", 72.4 percent agreed, 6.1 percent disagreed and 21.5 percent were non-committal. On "most people have benefited from the reform", 43.3 percent agreed, 17.8 percent disagreed and 38.9 percent were undecided.

As to the question "what will you do if you lose your job because of transfer of your enterprise", 33.8 percent choose to retire ahead of retirement age, 26.6 percent hoped the enterprises and the government would offer jobs to them, and 37.2 percent said they would depend on themselves to find a new job.

As to the question "which kind of enterprises would you like to choose if you had another chance", 8.1 percent still preferred state-owned enterprises whereas 9 percent firmly rule out state-owned enterprises, and 82.9 percent wanted profitable enterprises.

1,000 questionnaires were issued and an effective 880 were returned in this survey. The ratio of female to male interviewees were roughly even, covering various age groups, schooling at various levels and various posts. The survey is a typical reflection of the mentality of employees of the state enterprises.

Vice Minister Discusses Energy Sector

OW2104122495 Beijing BEIJING REVIEW in English
Vol 38 No 17, 24-30 Apr 95 pp 7-9

[FBIS Transcribed Text] Since reform and opening was launched in 1979, an energy production and consumption system has been established with coal at its core, complemented by other resources.

Ye Qing, vice-minister in charge of the State Planning Commission, recently held a briefing on the development of China's energy industry.

Power Industry

China's power industry has won achievements of world renown since 1949, the year the People's Republic was founded.

—The volume of generated energy jumped from 4.3 billion kwh in 1949 to 920 billion kwh in 1994 with an annual increase of 121 percent.

—Installed capacity, increased from 1.85 million kw in 1949 to 19.2 million kw in 1994 with an annual growth rate of 10.9 percent.

By 1994, China's generation and installed capacity rose to No.4 in the world in contrast to No.25 and No.21, respectively, in 1949.

Since China initiated reform and opening up to the outside world in 1979, China's power industry has made even greater progress, with a continuous increment in terms of installed and generating capacity. The main achievements include:

At the end of 1987, China's installed capacity exceeded 100 million kw.

Since 1988, new generation equipment with an installed capacity of 10 million kw has been put into production annually.

In 1992, the Qinshan Nuclear Power Station with an installed capacity of 300,000 kw, which was designed and manufactured domestically, was completed and started operation. In 1994, the Dayawan Nuclear Power Station in Guangdong with an installed capacity of 1.8 million kw started operation, thus ending China's non-nuclear era.

In 1994, the Three Gorges Water Conservancy Project on the Chang Jiang River started, designed to create the largest hydraulic power station in the world.

By the end of 1995, the national power generation capacity is expected to exceed 1,000 billion kw.

The four trans-provincial power networks located in the east, north, northeast and central China have a total installed capacity of more than 20 million kw and a network of a 500-kv cables has taken shape. The northwest, Guangdong, Shandong and Sichuan networks have an installed capacity above 10 million kw. The Jianbi Power Plant in Jiangsu Province, has an installed capacity of 1.625 million kw; Hubei's Gezhouba Hydraulic Power Station, the largest in China, has an installed capacity of 2.715 million kw.

Coal Industry. The coal industry has made great progress over the past 40 years. China has become the largest producer of coal in the world, with 1.21 billion tons of coal in 1994, whereas in 1949 China had only 32.43 million tons.

By the end of 1993, proven coal reserves totaled nearly 1,006.7 billion tons, of which 215.5 billion tons were either in mines or mines under construction. By the end of 1993, there were 2,279 coal mines in China, each having a production capacity of more than 30,000 tons, and the planned production capacity totaled 686 million

tons. In addition, there were 80,000 coal mines operated by townships or individuals scattered all over the country.

In 1993, there were 17 key state-owned coal mine administrations, each with production capacity surpassing 10 million tons. Datong Mine, the largest one in China, produced 31.75 million tons of coal that year. There are 15 coal mine administrations each with an annual production capacity of 5-10 million tons.

Oil Industry. The oil industry was quite weak in the early stage of New China. In 1949, the oil production volume was 120,000 tons. After the discovery of the Karamay and Daqing oil fields in the 1950s, oil reserves and production accelerated. China was able to supply oil for its own use and did not have to rely on oil imports in 1965, when it produced 11.3 million tons of oil.

The Shengli, Dagang and Liaohe oilfields were discovered in the 1960s, providing another boost to China's oil production. China evolved from an oil importing country to an exporting country in 1971, when the country produced 39.41 million tons of oil.

In the mid-1970s, the discovery and development of the Renqiu Oilfield in north China boosted China's oil industry, and 1978 saw China listed as seventh among the world's oil-producing countries, with a volume of 104.05 million tons. In 1994 oil production hit 147 million tons.

There are now 25 oil and gas production bases, including the Daqing, Shengli and Liaohe oil fields. By the end of 1993, some 293 oilfields had been developed, totaling 12.3 billion tons of oil reserves and 4.034 billion tons of workable reserves and with a total production capacity of 143.21 million tons of oil and 13 billion cubic meters of gas.

China boasts abundant oil and gas resources. The national evaluation on the oil and gas resources in 1993 showed that the proven reserves were only 18.6 percent and 2.8 percent of estimated oil and gas reserves respectively.

During the Ninth Five-Year Plan (1996-2000), still in the drafting stage, China's national economy will keep a comparatively high pace of development. The energy industry must develop along with the economy and gradually ease the energy bottleneck effect on the economy.

Foreign Cooperation

Energysaving and environmental protection are two of China's main policies in the development of the energy industry.

In line with the United Nations Conference on Environment and Development, China has proposed the China Agenda 21, of which energy-saving and environmental protection are important components.

China has joined other countries in their efforts to improve the global environment. China pays great attention to improving energy utilization efficiency and controlling the growth of energy consumption, employing new technological processes and equipment and reducing pollutants.

There are numerous opportunities for Sino-foreign cooperation in the fields of energy-saving technology, equipment manufacturing, and development of new energy and renewable energy (wind, solar and other energies). China is a large consumer of coal. The country is very much concerned with the development and application of clean coal technology. The State Council has entrusted the State Planning Commission to lead a clean coal technology-popularizing group. China welcomes foreign cooperation in this effort, said Ye Qing.

Proposed Rail Project To Link Northeast, Shanghai

HK2204084895 Hong Kong HONGKONG STANDARD
in English 22 Apr 95 p 8

[By Pamela Pun]

[FBIS Transcribed Text] China has mapped out one of the world's largest railway projects, expected to be completed in the next five years.

The mid-term goal is to bridge the northeastern provinces with the southeastern metropolis of Shanghai by building a short cut across Bohai Bay, Chinese sources say.

The State Planning Commission and the Ministry of Railways are responsible for designing the blueprint.

The project will become part of the country's Ninth Five-Year Plan for Social and Economic Development (1996-2000) once its feasibility study is approved by the National People's Congress later this year.

A ferry route capable of carrying trains nearly 90 nautical miles across China's Bohai Sea will link the coastal city of Dalian in northeastern Liaoning province to the coast of Shandong province.

It will be operated as part of the Dalian-Shanghai cross-sea railway.

The trains will be carried by ferries across Bohai Bay from Dalian and arrive in the port city of Yantai, Shandong.

Passing through Lancun and Linyi in Shandong province, the train will arrive at Xinyi, Jiangsu province.

Then, by sharing the northern part of the Xinyi-Changxing railway, it will reach Shanghai.

Ministry of Railway officials said the Dalian-Shanghai cross-Bohai Bay railway project would be part of its development plan for the next five years.

The new railway aims to transport cargo, but a passenger service is also being considered, officials said.

The new link between the northern Liaodong and eastern Shandong peninsulas will help solve one of China's thorniest transport bottlenecks, analysts say.

Most importantly, the network will link Liaoning province, an important industrial base, with the large commercial metropolis of Shanghai.

The route will foster the country's economic development and expedite commercial activity, officials say.

Rich in raw materials and natural resources, the northeastern region could supplement southeastern provinces, which are short of natural resources.

Official statistics show at least 10 cross-harbour bridges and tunnels are already under construction or to be built across the country.

An official forecast predicts by the year 2000 China's railway system will be able to transport 1.9 billion tonnes of cargo and 1.45 billion passengers each year.

A Western diplomat said the new railway project would be of great help to the country's economic development.

He said the northeastern region had just as great potential for economic growth as the booming coastal areas in the east.

He also said China would benefit if it had more financial and economic centres such as Hong Kong and Shanghai to help cultivate its western and northern regions where natural resources are abundant.

Finance & Banking

Vice Minister on Financial Growth in 1st Quarter

HK2104140995 Beijing ZHONGGUO XINWEN SHE
in English 1216 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (CNS)—The financial situation was generally steady and normal during the first quarter of this year while the national economy continued to maintain proper growth, according to the Vice Minister of Finance Jin Renqing.

Mr. Jin revealed that the national financial revenue was valued at RMB [renminbi] 102.7 billion during the first three months of 1995 or 15.7 percent up over the same period last year, fulfilling 18 percent of the budget set for the entire year. The national financial expenditure was put at RMB 102.9 billion in the first quarter or a gain of 27 percent, reaching 16.2 percent of this year's budget.

As production grew at a rapid pace and circulation of commodities sped up, financial revenue tended to rise month by month during the first quarter. Major revenue-earning items maintained bigger growth, of which consumer tax revenue increased by 77.8 percent, added

value tax by 15 percent and business tax by 26.9 percent during the first three months compared with the same period last year.

Issuance of national bonds went smooth and bearer bonds sold in public through agents to subscribers was valued at RMB 24.92 billion by the end last month, over-fulfilling the set target. Sale of standard or name-bearing national bonds was also rather smooth. It is expected that the target of floating national bonds set for this year will be met.

Mr. Jin stressed that financial departments of various levels had to strengthen work on the following sectors in a bid to ensure implementation of the state budget. First, the budget law has to be strictly observed and the budget's limiting functions have to be reinforced. Should no legal procedure been conducted in advance, no reduction of revenue nor an extra increase in spending on one's own will would be allowed. Second, achievements made in the financial reform have to be further consolidated. Problems emerging from the new financial system have to be solved as early as possible. Third, taxation on import and export has to be put under strengthened administration. Illegal conduct including the cheating of drawbacks for export has to be harshly hit. Fourth, problem of overdue tax which should be paid by enterprises has to be settled as early as possible. Necessary economic and legal means have to be taken to deal with this problem.

'Steady' Improvement

HK2304022395 Beijing CHINA DAILY in English 21
Apr 95 p 1

[Article by Liu Weiling: "State Financial Picture Good"]

[FBIS Transcribed Text] In parallel with moderate economic growth since the beginning of this year, China has seen a steady improvement in its public finances in the first quarter of this year, Vice-Finance Minister Jin Renqing said yesterday.

During the first three months of 1995, national revenues amounted to 102.7 billion yuan (\$12.2 billion), or 18 percent of the annual budgetary figure. The quarterly amount is 15.7 percent more than the corresponding figure last year.

National expenditure in the period increased by 27 percent to 102.9 billion yuan (\$12.2 billion), 16.2 percent of the budgetary figure.

Revenues grew in each of the first three months, with major revenue items registering hefty increases.

Consumption tax revenue posted the biggest rise in the quarter, climbing 77.8 percent to 8.78 billion yuan (\$1 billion).

Value-added tax revenue rose 15 percent and business tax revenue 26.9 percent.

Central and local governments collected 103.83 billion yuan (\$12 billion) in taxes from industrial and commercial enterprises during the first three months, according to the State Administration of Taxation.

Expenditure on key projects under the budget also grew at a fast pace during the period, Jin said.

Expenditure on rural development increased by 45.7 percent as the government put agricultural development top on its working agenda this year.

Spending for enterprise restructuring and technical upgrading grew by 18.1 percent, while expenditure for new product development rose 30.6 percent.

The healthy State finance picture in the first quarter was also attributed to the success of State treasury bond issues, Jin said.

By the end of March, primary dealers had underwritten 24.92 billion yuan (\$2.97 billion) worth of standard treasury bonds, targeted at institutional buyers.

And 73.225 billion yuan (\$8.72 billion) worth of the certificate treasury bonds had been purchased, he said.

China began offering two kinds of three-year treasury bonds on March 1. The certificate bonds target ordinary investors while the standard bonds were aimed at institutions or wealthy individuals.

The vice-minister called on finance departments to review the results of the country's massive fiscal reform, launched last year, and resolve any problems in the operation of the new fiscal system.

Meanwhile, Jin said finance departments will strengthen monitoring of import and export taxes, cracking down on those who fraudulently obtain export tax refunds.

And economic and legal measures will be adopted to ensure that enterprises pay their taxes, he said.

Central Bank To Release Financial Outlook

OW2104133595 Beijing XINHUA in English 1324 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—China is to release the "Financial Outlook for 1995" within this month, according to a senior official of the People's Bank of China, the country's central bank.

This will be the second time that the central bank has published an outlook to analyse and forecast China's financial situation, since the first such report was produced last year.

This year's version of the annual report, which includes 18 articles and 18 statistical charts, indicates that the central bank is standardizing its operations according to international practice and clarifying its monetary policy.

The '95 Outlook includes comments on the global economy and international economic relations. "In

becoming more involved in the global economy, China should no longer analyse its economy without taking into consideration the world economy," said Chen Yaoxian, deputy chief editor of the Outlook.

The Outlook dwells on why the money supply increased quickly in 1994, probes the factors affecting the money supply in 1995, and offers detailed solutions to the problems of relations between the renminbi's exchange rates and the money supply.

"Whether the central bank can impose efficient macro control over the economy largely depends on how accurately the changes in the money supply are analysed and relevant policies are consequently drawn up," said Chen, who is also the vice-president of the central bank.

The Outlook also elaborates the trend of the renminbi's exchange rates, the development of overseas financial institutions in China, and the industrial structural changes, in addition to covering China's international revenue and expenditure, and the situation of China's foreign debt.

XINHUA was told that the China Financial Outlook will be made public each April from now on, following the publication of the relevant annual reports released by the International Monetary Fund and the World Bank.

Circular on Violating State-Owned Rights Issues

OW2104133495 Beijing XINHUA in English 1317 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—All share-holding companies, state-owned stock holders and state-owned assets management departments must defend the rights and interests of state-owned shares when distributing bonus and rights issues, according to an urgent circular issued today by the State Administration of State Property (SASP).

According to the circular, some share-holding companies have recently adopted unfair methods of distributing bonus and rights issues to state-owned stock holders, legal-person share holders and individual investors, infringing the interests of state-owned stock holders.

It orders all state-owned stock holders to adhere to related rules and exercise correctly and effectively their rights in choosing the right ways to distribute bonus and rights issues.

By the end of 1994 China had more than 6,300 share-holding companies, with the total share capital value exceeding 280 billion yuan (about 33.3 billion US dollars).

The value of state-owned shares accounts for some 65 percent of the total amount.

Joint Notice Forbids Trading Unlisted Shares

HK2204014795 Beijing ZHONGGUO XINWEN SHE in English 0954 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (CNS)—Issued shares of companies not yet listed should not be

traded, said a joint notification between the State Economic and Trade Commission and the China Securities Regulatory Commission under the State Council.

According to the notification, listing applications of companies should be reaffirmed by the State Economic and Trade Commission and then approved by the China Securities Regulatory Commission. After receiving the affirmation, in the period prior to getting the approval, there should be no transfer of share ownership and no trading of relevant shares in any stock exchanges.

The notification further stipulated that relevant shares should be under the trustee of qualified securities operators. Relevant companies and the trustee institutions should take greater care of the shareholders' name-list, which should not be changed except in cases of judicial rulings or inheritances. Relevant managers from the trustee institutions and other personnel involved will be punished severely for any colluded trading of unlisted shares.

The listing application of a company will not be considered by the China Securities Regulatory Commission if the relevant company has run counter to the stipulations of the notification. Any share transfers violating the notification will be invalid and all consequences resulted from such trading will not be protected by the laws of the country.

Investment in State Firms Leading to Fund Shortage

HK2304022795 Beijing CHINA DAILY in English 21 Apr 95 p 4

[Article: "Fund Allocation Remains Irrational"]

[FBIS Transcribed Text] The government's intervention with fund allocation is one cause of the current fund shortages of State-owned enterprises, a recent article in the Financial News said.

Under pressure of State interference, in some places, working capital, which is needed for an enterprise to maintain normal operation, has been taken up or diverted by swelling fixed-asset investments.

In recent years' reforms, local governments have benefited greatly from the responsibility system of fiscal budgets.

Not only have local governments been motivated greatly by the system in developing local economies, but they now have more say in examining and approving construction items and opening new financial sources, the article said.

Because of the lack of binding forces, some local governments tend to run loose in pursuing high economic growth and enlarging investment scale.

In the past two years, the government has tried to rein in the nation's excessive growth in fixed-asset investments. Therefore, fund sources for this kind of investment are limited by the government.

To continue their planned construction items and begin new ones, some local governments then divert the enterprises' working capital for fixed-asset investments.

According to financial principles, banks only grant loans to those who can prove their ability to repay the money. However, under the interference from local governments, it is difficult for banks to act according to regulations, the article said.

Statistics show that two-thirds of State enterprises are oozing red ink, losing tens of billions of yuan every year.

Urged by some local governments, banks keep injecting money into those State firms. This will only increase their debts.

At present, bad debts add up to more than one trillion yuan, taking up 40 percent of the total bank loans, said the article.

Meanwhile, large sums of funds are being held back in the form of finished industrial products. At the end of 1994, the total value of unsold industrial products added up to 401.8 billion yuan (\$47.7 billion).

When banks set out to square the accounts, some local governments, ingrained in regionalism, intervene again.

It is reported that some officials even obstruct their enterprises from paying off the debts owed to firms in other parts of the country. Their unco-operative attitude poses great difficulty to banks trying to clear out accounts.

Take one city in Central China's Hunan Province as an example. Among the local banks' total 354.6 million yuan (\$41.6 million) loans, more than 63 percent have been unreasonably granted because of government interference.

Generally speaking, funds cannot be most rationally allocated through government intervention.

Statistics in the past three years show funds allocated to different parts of the country have not brought up sufficient economic benefits.

When tax revenues in all the provinces were measured against the sum of loans and funds which generated the tax, the highest ratio in 1991, 1992 and 1993 was 29.6, 24.8 and 27.3 per cent respectively, while the lowest were between three per cent and five per cent.

These figures indicate that fund allocation is on the whole extremely irrational in the country. The article blamed government intervention as the main culprit.

Renminbi Convertible Under Current Account
*OW2404082095 Beijing XINHUA in English 0750
GMT 24 Apr 95*

[FBIS Transcribed Text] Shanghai, April 24 (XINHUA)—The efforts to reform China's foreign exchange system over the past year have made the Chinese renminbi (RMB) yuan convertible under the current account, a senior banker said here today.

China originally set to achieve the current-account convertibility of the local currency by the year 2000.

Addressing a forum on forex reforms and the forex market, Zhu Xiaohua, director of the State Administration of Exchange Control, also said that a unified floating exchange rate mechanism centering on market supply and demand has taken shape in China.

Zhu, who is also a deputy governor of the People's Bank of China, the central bank, acknowledged that the Shanghai-based China Foreign Exchange Trade Network, which was opened last April, has contributed greatly to the country's foreign exchange reforms.

He noted that China must learn from the sophisticated experience of other countries when it draws up plans to develop the forex market and must bring its practices in the area in line with international standards.

"Such plans, and the development of forex trade instruments and methods must proceed from the principle of trying to improve the market exchange rate mechanism as well as promoting balanced foreign trade," Zhu pointed out.

He also said that the plans and development programs must be in the interests of macro-economic control and instrumental to risk supervision.

By April 21 the cumulative transaction volume at the foreign exchange trade network totaled 61.44 billion US dollars-worth, which broke down into 56.7 billion in US dollars, 37.21 billion in Hong Kong dollars and 6.45 billion Japanese yen.

The forum was attended by heads of the head offices of 14 banks appointed to handle foreign exchange.

Foreign Trade & Investment

Li Lanqing Addresses International Economic Forum

OW2304142195 Beijing XINHUA Domestic Service in Chinese 1008 GMT 11 Apr 95

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 11 Apr (XINHUA)—Li Lanqing, member of the Political Bureau of the CPC Central Committee and vice premier, said in a keynote report today to the China Summit, an international economic forum, that after years of hard work, especially

after we started implementing the policy of reform and opening to the outside world, China's economy has embarked on a path of rapid development. Amid sustained, rapid, and healthy growth, the overall scope and the index for the social and economic development will be expanded and raised at a remarkable pace by early next century. This is a key underpinning of our march toward the 21st century with full confidence.

In his report entitled "China on the March Toward the 21st Century," Li Lanqing said: The establishment of a socialist market economy is a goal of China's reform. It is also a central way to settle today's economic problems once and for all. China's reform will neither stop nor be slowed down. Our priority this year will be the reform of state-owned enterprises with a view to establishing a modern enterprise system. We will also carry out supplementary reforms of the social security system, further improve reform of the macroeconomic administrative structure, cultivate the market system, change government functions, and implement reforms in other areas. We will, after several years of hard work, initially build a new structure by the end of the century and bring into fuller play the role of the market as the basic means of regulating the allocation of resources under efficient state macroeconomic control, bring about a greater balance between efficiency and fairness, and liberate and develop the productive forces to the maximum extent possible.

Li Lanqing pointed out: China's reform, opening up, and modernization drive cannot be separated from cooperation with her friends all over the world. Without China's participation, the world economy would be incomplete and unfulfilled. Reform and opening up to the outside world is a basic national policy of China. The Chinese Government will, as always, continue consolidating and implementing the policy of all-directional opening, maintain a steady growth of foreign trade, improve the structure of export goods, upgrade the quality of export goods, rationally readjust the structure of import commodities, formulate clearly defined industrial policies to provide proper guidance for foreign investment, and integrate, in a still better way, the introduction of foreign investment with the readjustment of the industrial structure and product mix and the raising of technology and management levels. In joint-venture operations, we should make greater efforts in protecting the legitimate rights and interests of Chinese and foreign investors as well as their employees in accordance with law.

Li Lanqing said: China is still a developing country. Although its overall economy is rather large, the average per capita output of products is still rather small and, according to IMF calculation standards, it will keep marked and major features of developing countries for years to come. For example, tens of millions of China's 800 million farmers are still in poverty; others problems include shortages of funds, inadequate market mechanisms, and the low-growth type economic structure characteristic of low-income nations. Only years of hard

work will enable all the people to lead a better-off life by the end of the century and truly lead our country into the rank of comparatively developed countries in the next century. Over-exaggeration of China's present development level is not only untrue, but harmful to China's economic growth and its normal exchanges and cooperation with other countries and regions.

Li Lanqing said: Cooperation requires understanding and sincerity. China's progress and development is a part of world prosperity and development. Only a progressive and developed China can contribute to world prosperity and development. In the past decade or more China has carried out fruitful reform and explored the path for a developing country to make itself prosperous and strong. This is a historical responsibility we have for world prosperity. For the world economy, an underdeveloped China will be a tragedy for the world as whole, for peace and cooperation are the basis of development and, conversely, development is also the basis of peace and cooperation. It is true for China as well as any other nation or region that it must realize its own growth on the strength of other's development and it must also provide, with its own development, the other parties with the necessary conditions for development. Peace and development are in our common interest. We must constantly remove all the influence and obstruction from the non-economic or non-trade factors and specious inference such as the argument that a developed China will be a threat. All these statements are poisonous propaganda designed to confuse public opinion, and they will be a hindrance to world peace and development. He expressed the hope that international cooperation and exchanges in the future will be built on mutual trust, equality, and mutual benefits and be conducted in a more business-like way so that we will seize our common opportunity and march into the 21st century full of confidence.

Reasons for Export Surge Explored

HK2404003295 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 1

["News Analysis" by Qiu Xichun: "Early Export Surge Belies China's Trading Realities"]

[FBIS Transcribed Text] A tidal wave of exports in the first quarter of the year has left many analysts asking an age-old question: what happened?

With no evident stimulus, China's exports leapt 62 per cent in the January-March period. At that rate, total export volume could be expected to hit \$190 billion by year-end—an impossible feat, given the gauntlet of obstacles facing Chinese exporters.

Export growth last year was strong, too. But that was fueled mainly by the renminbi yuan's devaluation and a fresh round of trade reform. Those factors weren't present in the first three months of this year.

In fact, exporters will face an array of obstacles this year, including a rising yuan that weakens export products' competitiveness. Added to this are stiff inflation which boosts export costs, a flat international market and a domestic fund shortage.

A clue to the puzzle of this year's early export surge lays behind an unforeseen factor: enterprises' drive to obtain export tax refunds as early as possible.

Those refunds are the most important tool for the government to boost exports.

Dogged by tax arrears resulting from a tight monetary policy last year, Chinese exporters tried to get refunds at the earliest possible date this year for fear of being unable to get refunds by the year-end.

Careful analysis of the export performance of foreign-funded enterprises reveals that China's export surge was refund-driven.

While exports through general trade—trade conducted mainly by State-owned enterprises—jumped 73.4 per cent in the first quarter, those by foreign-funded enterprises grew only 51.3 per cent; tax refunds have little effect on foreign investors.

In addition to the drive for refunds, another factor contributed to the bloated export figure.

Many exporters shifted their contracts which could be made last year to the first quarter of this year in order to begin the year with a good start.

But enterprises should not be blamed for the tactical shifts.

A real problem is the shortsighted nature of corporate activities, which may well cause uncertainty in China's trade development in the future.

Enterprises that calculate short-term gains by the quarter instead of years risk potential harm.

And the current foreign trade regime, pushing exporters to go for tax refunds, favours superficial performance at the expense of real export profits.

All of which adds up to the need for reform in the tax refund scheme.

If exporters calculate tax refunds into their export costs and the State cannot realize the refunds in time, the consequences for exporters could be grievous.

And the ultimate outcome could be far worse.

Far from a puzzle, the year's early-on export craze has clear roots—roots that leave concerned analysts wondering whether the regime needs reexamination.

Seminar on Applying Revised ISO 9000 Series

HK2304072695 Beijing CHINA DAILY in English 22 Apr 95 p 2

[Article by Ma Zhiping: "Revised ISO 9000 Series Discussed"]

[FBIS Transcribed Text] More than 300 quality-control experts gathered in Beijing yesterday to discuss the application of the revised ISO 9000 series in China.

A revision of the original 1987 edition was issued last year by the International Standardization Organization and is regarded as the most important quality standard.

"The revision of ISO 9000, which represents a series of international standards that prescribe acceptable methods to design, implement and assess quality management and assurance systems, is more consumer-oriented and gives more weight to metrology and production processes in quality control," said experts at the seminar, which closes today.

Li Chuanqing, director of the State Bureau of Technical Supervision which is in charge of the nation's administration of standardization, metrology and quality, said at the opening ceremony that the application of ISO 9000 series is important to China because it is playing an increasingly important role in the development of a socialist market economy.

"The government holds that speed and quality are strategic concerns in the nation's economic development," Li stressed.

"Being a functional government body, the State Bureau of Technical Supervision has adopted a set of effective measures such as the quarterly inspections to help improve the quality of domestically made products, domestic construction projects and services."

He said the State is drafting a "quality promotion programme" that aims to lead quality awareness among the public—especially in the industrial sector and product quality to a new level.

He explained that the adoption of the ISO 9000 series is based on the understanding that implementation of the series, which is to be revised every five or six years, is an important condition to prevent trade and technical barriers on the international market.

"The reason to choose ISO 9000 is also because it suits China's economic development and has become an important role to govern market activities and an important criterion to help enterprises standardize quality administration in their effort to establish modern enterprise systems," Li said.

'Roundup' on Chang Jiang Economic Development
OW2404041495 Beijing XINHUA in English 0307
GMT 24 Apr 95

[ROUNDUP: "Chang Jiang River Valley Forms New Economic Belts"]

[FBIS Transcribed Text] Nanjing, April 24 (XINHUA)—New economic belts have emerged in the valley

of the Chang Jiang River, China's longest, to boost the export-oriented economy while co-operating with interior parts of the country.

According to a recent seminar on the strategy of opening and developing the cities along the river, the river valley has five economic belts, with Shanghai and Nanjing on the lower reaches, Wuhan and Yichang on the middle, and Chongqing on the upper reaches of the Chang Jiang as the centers.

"Such a formation of urban economy will pave the way for the overall development of the valley," an economist here said.

"With these belts, which have linked up with different economic development zones, the Chang Jiang valley has become China's largest foreign investment belt," he added.

The Chang Jiang delta, which started development comparatively early, has upgraded its products to their international counterparts and entered the international market.

The Suzhou Industrial Park, jointly developed by China and Singapore, which has drawn on the experience of Singapore's economic development and management expertise, is playing a leading role in Jiangsu's opening up further to the outside world.

The number of foreign-funded enterprises has been soaring in Huangshi City, Hubei Province, over the past two years since it was designated as one of the open cities in the river valley.

To boost their export-oriented economies, cities along the river have joined hands in improving infrastructure facilities.

Newly built projects include three railway and highway bridges across the Chang Jiang at Jiujiang in Jiangxi Province, Wuhan, capital of Hubei Province, and Jiangyin in Jiangsu Province; an airport in Nanjing, capital of Jiangsu Province; an optical fiber telecommunication cable along the river; and three mobile telecommunication networks in Jiangsu and Zhejiang provinces and Shanghai, respectively.

Projects still under construction include an expressway running from Shanghai to Nanjing.

So far, cities along the Chang Jiang have opened wholesale markets and markets for capital goods and established enterprise groups to facilitate economic exchanges, co-operation and development of the valley.

Shanghai's Service Industries Draw Overseas Funds

OW2404043295 Beijing XINHUA in English 0329
GMT 24 Apr 95

[FBIS Transcribed Text] Shanghai, April 24 (XINHUA)—The service industries in this, China's largest

economic center to be a big magnet for overseas investment, with overseas-invested project increased in the first quarter of this year.

According to an official from the municipal government department in charge of overseas investment, the city will continue to enhance co-operation with large international firms in developing retail sales, foreign trade, banking and high-level media service.

Economists here said that the development of the service industries is the key to building the city into an economic, financial and trade center of China. In recent years, foreign investment in these industries has surpassed that in the secondary industries and accounts for over half of the total overseas investment. The overseas investment has expanded to around 30 sectors of the service industries, including banking, real estate, advertising, culture, recreations, information consultation, catering, design, decorations, education and health care.

The use of overseas investment has improved the city's whole industrial structure. The gross national product of the service industries accounted for 40 percent of the total last year, as compared with only 18 percent in 1978.

Shanghai's Joint Ventures Boost Foreign Trade

*OW2104161295 Beijing XINHUA in English 1521
GMT 21 Apr 95*

[FBIS Transcribed Text] Shanghai, April 21 (XINHUA)—Joint ventures involving foreign investments in this largest port city and industrial center in China has gained momentum in foreign trade this year.

According to statistics from the city's customs, in the first quarter of this year the export and import volume of the city's joint ventures topped 1.84 billion US dollars-worth, an increase of 60.6 percent over the same period of last year.

Among them, exports, which accounted for one fifth of the total export volume of the city last year, increased by 81.4 percent, reaching 660 million US dollars-worth, in this period.

So far, the number of joint ventures in the city has exceeded 10,000, of which 8,131 do foreign trade business.

In the first quarter of this year, export and import business with the United States totalled 251 million US dollars-worth, an increase of 92.9 percent over the same period of last year.

The trade volume with Japan, the largest investor in the city, reached 677 million US dollars-worth in the first three months, an increase of 74.1 percent over the same period of last year.

Technological commodities began to increase their share in joint venture exports. The electrical machinery export

volume in this period was 263 million US dollars-worth, 3.1 times the figure for the same period of last year.

Joint ventures in the New Pudong Area witnessed the most vigorous increase in exports and imports business, totalling 445 million US dollars-worth in this period, an increase of 81.4 percent over the figure for the same period of last year.

Shanghai Volkswagen Nation's 'Largest Auto Maker'

*OW2404021095 Beijing XINHUA in English 0038
GMT 24 Apr 95*

[FBIS Transcribed Text] Shanghai, April 24 (XINHUA)—The second-phase project of the Shanghai Volkswagen Automobile Corporation has recently gone into operation, pushing its annual production capacity to 200,000 and making this Sino-German joint venture China's largest auto maker.

As another important event for the corporation, the Santana 2000 car series, jointly developed by international experts and Shanghai Volkswagen, the first such collaboration project between China and the rest of the world, has been put into production.

The new motor vehicle series, which has cost the company 100 million yuan for development, is considered comfortable and technologically advanced and competitive compared with other cars of the same feature in the domestic market.

According to corporate sources, the company plans to build 30,000 such series of cars with daily production capacity of 280 by the end of this year, pushing the total number of Santana series to 160,000 this year.

To expand production, the corporation has also decided to increase another 1.1 billion yuan in investment to build a new engine plant and expand the annual sedan production capacity to 300,000.

A joint venture between China and Germany, the Shanghai Volkswagen Automobile Corporation was established in the early 1980s with an investment of 160 million yuan. To date, the joint venture has developed into a large auto enterprise with 2.3 billion yuan of registered capital and five billion yuan in fixed assets.

Over the last ten years, the Sino-German auto joint venture has produced a total of 420,000 cars and paid seven billion yuan in taxes to the state. At present, 86 percent of the auto parts are made in China as against 2.7 percent ten years ago.

Liaoning Authorizes Group To 'Handle' State Assets

*OW2404033995 Beijing XINHUA in English 0309
GMT 24 Apr 95*

[FBIS Transcribed Text] Shenyang, April 24 (XINHUA)—The Liaoning Provincial Construction Group

has become the first enterprise group in Liaoning Province authorized by the provincial government to handle state-owned assets.

The move serves as a breakthrough in the reform of the state assets managerial system, according to a local official.

The group can use state assets worth 161 million yuan authorized by the government and is committed to preserving and increase the value of the assets, according to an official of the group.

One of the 32 construction companies in China chosen to try out a modern enterprise system, the group has 33 member companies and 12 Sino-foreign joint ventures. It has set up 22 wholly-owned companies and joint ventures in 18 countries and regions.

The group was the first major construction company in China to introduce the joint-stock system. It generated 968 million yuan in output value and made 23.9 million yuan in profits in 1994.

At a ceremony to mark the authorization, Chinese Minister of Construction Hou Jie described enterprise restructuring as a "key link" in the reform of China's economic structure.

He said, "Finding an efficient enterprise organizing system is an effective way to enable state enterprises to operate efficiently in a market economy."

The Liaoning Provincial Government plans to choose a number of efficient and competitive enterprise groups to try out the handling of state assets.

Three Gorges To Get Foreign Funds, Technology
HK2404003095 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 1

[Article by Gao Bianhua: "Gorges To Get Foreign Funds"]

[FBIS Transcribed Text] China will introduce overseas funds and technology to the Three Gorges Dam project "under the right circumstances," a senior governmental official told Business Weekly.

The bulk of the funds needed for the hydro-power station construction, however, should rely on domestic sources, said Wei Tingcheng, deputy director of the executive office of the Three Gorges Project Construction Committee.

The committee is a policy-making body for the on-going water project, and is affiliated with the State Council, China's cabinet.

"As long as there are appropriate opportunities and conditions, we will absorb overseas capital in various ways for the construction of the Three Gorges Project," Wei said.

Wei said that no form of overseas funds have been used so far for the dam construction.

He also noted that China could issue bonds overseas to take advantage of favorable international financial markets.

Convertible bonds have a "greater possibility" of being issued before the first batch of power generating units begin operation in 2003, Wei said.

From 1993 until the year 2005, when profits made by the dam can support its further construction, the Three Gorges project will need a total investment of 146.8 billion yuan (\$17.48 billion). Of that, China will consider seeking \$2 billion to \$3 billion in overseas loans to import equipment.

He said around 12 of the 26 hydro turbogenerator units for the Three Gorges Dam may possibly be produced with the cooperation of overseas companies, and six units will be purchased from overseas.

Wei emphasized that, while the nation is still developing its power generating equipment industry, "China's existing technology should (not be) underestimated."

"The domestic technological standard can be upgraded in a short time if overseas equipment is introduced based on the country's current technology level."

He noted that opening the project to the outside world should be well-coordinated with the development of the national industry.

This year, total investment in the gigantic water project will reach 7 billion yuan (\$833 million).

To raise the funds, the government levied an extra 0.4 fen (less than five-thousandth of one cent) for every kilowatt-hour of electricity consumed in the country from the beginning of this year. The figure last year was 0.3 fen.

In addition, all profits from the Gezhouba dam, currently China's biggest hydro-power station, will be channeled to the Three Gorges project.

Combined funds from the above two sources will inject more than 3 billion yuan (\$3.57 billion) into the Three Gorges dam.

The State Development Bank will also provide over 3 billion in loans for the dam construction.

"So the fund gap is quite narrow," Wei said.

As a result, issuing bonds for the water project would likely only be considered in the second half of this year.

The Ministry of Finance had planned earlier this year to issue \$100 million worth of bonds in overseas markets.

The Three Gorges Dam formally started construction last December. It will close the Yangtze's flow in 1997.

When all 26 power generating units are operating in 2009, it will have an annual capacity of 84.7 billion kilowatt-hours, about one tenth of the nation's current total capacity.

Transport Deregulation To Attract Foreign Funds

HK2404061495 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 8

[Article by Wang Yong: "Communications See Deregulation"]

[FBIS Transcribed Text] China is to deregulate price controls in the transportation sector to provide stimulus to foreign investors.

"While remaining the dominant price setter, the State will allow transportation enterprises to float price levels in response to changes in costs, services and seasons," said Li Duangshen, a senior official with the State Planning Commission.

He said prices of road, water and local railway transportation, as well as civil aviation on spur lines, will gradually be opened to market forces.

In the past, foreign investors could do little about the rigid price controls that made transportation one of the least profitable sectors in China.

The State has traditionally imposed tight price controls—especially on railway transportation—out of national security concerns.

The central government has also tried to maintain low railway tariffs and steer clear of inflationary pressures and situations in which investors are allowed to fluctuate prices in a freewheeling manner.

The end result is that, in the eyes of foreign investors, investment in China's highly-centralized railway sector is not attractive.

Except for local railways, national railways are still under strict control of the central government.

Li did not say when the deregulation move would reach national railways, but said that detailed policies concerning foreign investment in rail transportation would be announced in a formal paper which is awaiting final approval from the government.

He said foreign investors can, under State approval, get preferential treatment in developing the land around railways, roads, airports and ports in which they invest.

Investment in transportation usually sees slow profit returns while investment in service business around a project—like shops, hotels and bars along a road or railway—recoups money quickly.

Li predicted that by 2000 China will have 70,000 kilometres of railways, 1.25 million kilometres of roads and 530 deep-water ports along the coastal regions.

He said China plans to develop its transportation sector at a faster clip than the national economy by the year 2020.

According to incomplete statistics, China should invest 455 billion yuan (\$52.4 billion) in railway construction alone from 1994 to 2000 to work toward that goal. That figure could change with the momentum of inflation.

During those seven years, the share of investment in new railway lines is expected to reach 45 per cent, up from 35 per cent in 1993, analysts say.

That's due to heavy investment in the Beijing-Shanghai high-speed railway.

Investment in road construction throughout the 1990s is estimated to hit 457 billion yuan (\$54.3 billion).

Agriculture

Experts Urge Market Guidance for Grain Prices

HK2404044795 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 8

[Article by Wu Yunhe: "Experts: Market Prices Can Remedy Grain Shortfall"]

[FBIS Transcribed Text] Despite rising population and shrinking farm land, agricultural experts remain hopeful that China can tackle its grain shortage.

Specialists from the Ministry of Agriculture warn that the grain problem could impede economic development and they have suggested several measures for the government to consider.

"If the government wants to see steady growth in grain output, it is inevitable and vital that the market be allowed to drive up grain prices gradually," they noted in a written report.

Experts estimate that every 10 per cent increase in the grain price index could lead farmers to grow 2.5 per cent more grain.

Their forecasts also show that every 1.7 per cent increase in government investment in farming could lead to at least a 1 per cent rise in agricultural output.

The suggestion that official control over grain prices on the market be lifted is coupled with a call for effective government supervision and monitoring of price fluctuations.

The ministry experts argue that the government should not meddle with the grain market if the rise in the annual grain price index is within the ceiling of 8 per cent.

The growth target for farmers' incomes is 6 per cent this year.

An excessive rise in grain prices would not only hurt the consumer, but could decimate State grain reserves, the experts warn.

The State reserves are needed as insurance against starvation in the case of natural disaster.

A moderate increase in grain imports is also necessary, the experts say.

Some of the country's coastal areas suffer most from a shortage in grain supply.

For example, Guangdong Province has to buy more than 3 million tons of grain a year from other parts of the country, and Fujian has to purchase about 1.5 million tons annually.

China has the land to produce enough grain to feed 1.4 billion to 1.5 billion people, but official estimates show that the population will be at least 1.6 billion by 2040.

Moreover, rural industrialization and burgeoning economic development zones have led to a dramatic loss of farm land.

More than 3,000 economic development zones have been set up, and the number is still rising.

The national decrease in arable land in 1993, for example, is equal to all the farm land in Qinghai Province.

"China cannot afford to lose a 'Qinghai' annually," the experts warned.

The country's per capita arable land is 0.08 hectares, or only one-fourth of the world average, official figures show.

Agricultural Bank Opens Branch To Reduce IOU's

OW2204100995 Beijing XINHUA in English 0919
GMT 22 Apr 95

[FBIS Transcribed Text] Hangzhou, April 22 (XINHUA)—Agricultural Development Bank of China (ADBC) officially opened its first provincial-level branch Friday [21 April] in this capital city of east China's Zhejiang Province.

ADBC is a State agricultural-policy-oriented bank established at the end of last year. The new branch will take measures to supply more credit for the purchase of major farm products like grain, cotton and oil-bearing crops, with the aim of reducing "I-Owe-You" [IOU] slips to farmers, according to Zhu Xiaoyi, head of the branch.

Loans for helping poor areas to get rid of poverty and for comprehensive agricultural projects will also be on the new branch's priority list, Zhu said.

ADBC, launched by the State Council, is not taking profit-making as its primary target. Its major task is to raise policy related funds and promote a rational flow of agricultural funds.

State Funds for Agriculture To Rise to \$8.26B

HK2404002995 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23-29 Apr 95 p 1

[Article by Wu Yunhe: "\$8 Billion Agriculture Booster Plan Readied"]

[FBIS Transcribed Text] The central government plans to disburse 69.35 billion yuan (\$8.26 billion) from its coffers to bolster the country's agricultural development this year, a senior government official said.

Zhang Zhenguo of the Ministry of Finance said this year State investment in agriculture will increase 11 per cent over 1994.

The funds will be used mainly to subsidize State banks' loans earmarked for agricultural infrastructure development and poverty alleviation, and to aid operating expenses in the country's official agricultural departments.

Zhang, director-general of the ministry's Agricultural Development Department, said the government is granting billions of yuan in subsidies to aid the development of grain, meat and vegetable production in the southwestern, western and northwestern parts of the country.

In an effort to stabilize the supply of farm produce and curb inflation, the ministry also plans to help set up grain and non-staple food risk funds at both central and local levels across the countryside.

Officials with the Ministry of Agriculture noted however that the central government's investment in agriculture has gradually decreased since 1991, dampening the enthusiasm of farmers and agricultural officials alike.

Agricultural sector investment accounted for 6 per cent of the State's total budgeted investment last year. That figure was down from 9.11 per cent in 1991.

Inadequate investment is hampering both the normal operation of some official agricultural departments and the badly-needed preservation of agricultural resources.

Experts have noted that soil erosion and the preponderance of low-yield arable land in the country are posing a threat to further agricultural development this year.

However, analysts with the State Information Centre under the State Planning Commission are optimistic about this year's grain production.

They predict the country's grain output may top 465.9 million tons this year. Such output would mark a record in the country's grain production.

They reason that the substantial increases in grain prices over the 1993-94 period have fired farmers' enthusiasm.

But the centre's agricultural experts conceded that rising demand for grain in China and the need to enrich State

grain reserves require the government to supplement domestic supplies with imports.

They predict that China may import 9.8 million tons of non-processed grain to match rising domestic demand—a crucial weapon in fighting inflation and improving citizens' living standards.

Green Paper Says Better Rural Standards by 2000

HK2204014695 Beijing ZHONGGUO XINWEN SHE in English 1222 GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (CNS)—Economists in China have predicted that by 2000, households in rural areas will become fairly well off with a moderate income. The above statement is made in the Economic Green Paper 1995 jointly made by the Institute of Rural Development of the Chinese Academy of Social Sciences and the Rural Social and Economic Statistical Department attached to the State Statistical Bureau.

According to the academics, various issues such as expenses on clothing, life expectancy, better availability of hygienic potable water, and ratio of serious criminal cases will be the easiest to achieve. However, issues that are more difficult to realize are: increase of per capita net income of villagers, better nutrition through greater intake of protein, and wider availability of telephone services, of which income and nutrition will be key indicators to reflect improvements in rural areas.

The Green Paper also says that the rural standard of living has been improving very fast with people being basically wellfed, warm and satisfied, and where the next expectation is a higher level of consumption. However, rural per capita net income is currently very low and is far from moderate. Moreover, food accounts for a large proportion of their expenses but they still suffer from a lack of proteins. The education and literacy is also a problem still posing in the rural areas.

RMB [renminbi] 1,100 (per annum) is considered the standard rural per capita net income for a well-off life. In order to attain the "moderate" income by the end of the century, it is necessary to achieve a growth rate of 4.8 percent within the time span of 1991 and 2000. However, the per capita annual growth rate between 1990 and 1993 was only 3.7 percent, and it seems rather difficult to reach the target at this slow pace and there is only five years remaining.

The Green Paper also stipulates that rural areas will have to attain a net income growth of five percent or up per annum, in order to achieve the "moderate" target. This is a very difficult task which requires concerted efforts from all parties concerned to shorten the gap.

The Green Paper also suggests the following measures: sustained economic development in rural areas in a speedy and wholesome manner; active development of township enterprises; promotion of the secondary and

tertiary industries (tertiary industry in particular); to shift rural surplus labour to the cities; improve the education standard and technical skills of the labour force; control birth rate; development of agricultural projects with high productivity and good quality; as well as steps to minimize rural-urban disparities in general.

Food Industry Development Trends Viewed

HK2404030495 Beijing ZHONGGUO XINWEN SHE in English 0247 GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (CNS)—According to relevant government departments, the basic principle for development of the food industry in China, relying on progress of science and technology, is to exploit potentials and fully utilize available resources, improve the structure of the whole industry and the structure of products, increase output, raise economic efficiency, assure sufficient commodity supply in markets and to continue exploiting markets overseas to increase export.

The food industry department has, in line with the above principle, put forward the following points for development:

- Priority will be given to the production of basic materials for the food industry as well as of grain, cooking oil, meat, eggs, milk, sugar and various kinds of food additives.

- Development in fast food, convenient staple and non-staple food and fast refrigerated food will be speeded up.

- More attention will be given to the development of special kinds of nutrition food and health foods.

- To adjust the structure of food products for export, reduce export of primarily processed products and increase highly processed exports using advanced technology.

- Comprehensive use of raw materials and highly processed foods will be emphasized in the food industry, plus measures for tackling pollution problems and realizing better use of raw materials.

***Zhejiang Reports Early Rice Area, Procurement Price**

95CE0357K Beijing NONGMIN RIBAO in Chinese 15 Apr 95 p 1

[FBIS Summary] As of 5 April, the early rice area in Zhejiang Province was 12,780,000 mu, fulfilling 98 percent of the plan. In addition to the state procurement price of 44 yuan per 100 jin and a provincial subsidy of 3.74 yuan, Zhejiang will also give a subsidy of 12.26 yuan for agricultural materials.

Zhejiang Stopping 'Waste of Farmland'

OW2404081295 Beijing XINHUA in English 0721 GMT 24 Apr 95

[FBIS Transcribed Text] Hangzhou, April 24 (XINHUA)—A plot of over 26.7 ha which had been taken

over for non-agricultural purposes in Jinhua city, east China's Zhejiang province, has been reclaimed for farming on provincial administrative orders.

According to plan, Zhejiang should ensure a total farming acreage of 866,667 ha of early rice, and achieve an increase of 400 to 500 million kg in its total output compared with last year.

"In accomplishing the goal, the key is in stopping the waste of farmland", local officials said, noting that large tracts of farmland have been taken over for building development zones. In fact, he added, no projects are built inside some of these zones and as a result, fertile farmland is lying idle.

He said that some farmers only grow one crop a year despite of the fact that most of the farmland in the province is suitable for double-cropping. This is another kind of waste of land, he stressed.

This year, emphasis will be put on covering all idle land with green crops, and government officials will take the responsibility in supervising the implementation of the administrative order these orders.

The move in Zhejiang is taken in line with the national campaign to step up agricultural production and reinforce the basis for the country's economic growth.

Grain Production Base in Jilin Spreads Technology

OW2204092595 Beijing XINHUA in English 0910 GMT 22 Apr 95

[FBIS Transcribed Text] Changchun, April 22 (XINHUA)—Thanks to the spreading of agricultural technology, northeast China's Jilin Province has achieved marked success in raising grain output and farmers' income over the past several years.

Despite a drop of 5.5 billion kg in China's grain output in 1994 due to natural disasters, the grain output of Jilin Province jumped by 1.15 billion kg to hit 20.1 billion kg in the year.

Authoritative departments have attributed half of the increase in grain output to the application of agricultural technologies.

Farmers in the province have become more enthusiastic in crop cultivation because the application of science and technology in farming and the rising of grain price have brought them more profits.

They have, since Spring set in, been active in contracting for farmland, buying fertilizers, seeds and farm tools and studying agricultural technology.

There has been a good rise in farmers' annual income, with the average per capita income increasing by 381 yuan in 1994, compared with the previous year, up to 1,272 yuan. Half of the increases in income has been attributed to the development of technology.

As one of China's commodity grain producers, Jilin boasts one twenty-fifth of the country's arable land and the commodity grain it turns over to the State accounts for 10 percent of the country's total.

"Growth in agriculture needs more investment in technology," Wang Guofa, deputy governor of the province, said. To produce more grain, the provincial government decided in 1994 to further increase investment in this field.

In the past three years, it has earmarked nearly 200 million yuan to enhance the technological research in agriculture science.

In addition, it puts aside a large sum of money every year to set up awards for those who have made great contributions in spreading agricultural technology. The amount of awards in 1994 topped 3.5 million yuan.

A recent study showed that the province has spread more than 600 items of new technology and gained an increase in grain output of three billion kg, resulting in economic returns of 3.2 billion yuan.

Currently, the high-yielding acreage in Jilin has reached more than 1.4 million hectares, accounting for 70 percent of its total farmland.

To shift traditional farming to modernized operations, the province has also invested several million yuan to build 15 pilot zones of high technology, covering an area of nearly one million hectares.

The grain output in these zones has increased by one billion kg with a rise in economic returns of 400 million yuan.

***Article Calls Cotton Market Reform Imperative**

95CE0338A Beijing ZHONGGUO WUJIA [PRICES IN CHINA] in Chinese No 2, Feb 95 pp 13-17

[Article by Li Zuoyan (2621 0155 1484), Price Management Office, State Planning Commission: "Deregulate Cotton Selling First, With Procurement To Follow"]

[FBIS Translated Text] I. Current Cotton Circulation System and Framework for Reform

A) Existing Cotton Circulation System and Policy

China's existing cotton circulation system is characterized by direct state regulation and control, complete with planned management and government-set prices. The supply and marketing cooperative monopolizes the procurement and trading of cotton. The cotton market is not open and dual pricing has no place in the cotton market. The current system, in existence for more than 40 years, has been supplemented by a string of government measures designed to encourage peasants to grow cotton.

This management model has been instrumental in protecting peasant interests, ensuring that state textile enterprise demand for raw materials is met and the availability of cotton for civilian use and promoting industrial and agricultural production. But there is no doubt that this circulation system rests on the state monopoly of procurement of agricultural products and the purchase and marketing of textile products and China's chronic cotton undersupply. To date, with the national economy booming, reform and the open policy deepening continuously, and the economic structure and enterprises both undergoing profound changes, the shortcomings of a management model and price system based on command planning and direct government distribution have become increasingly evident. Reform has become imperative.

1. Centralized management has not been adept at closing the cotton supply-demand gap, which results when there is too much or too little cotton vis-a-vis demand. Owing to ineffectual macroeconomic regulation and control by the state, the government cannot get its hands on the entire crop when there is a cotton shortage. Nor does it do a good job buying up all cotton when there is too much of the commodity around. As a result, the command allocation, transfer, and supply plan is often not implemented and official prices are disregarded. In time of cotton shortages, the functional departments in charge and local administrative departments put up obstacles level after level. Their obstruction, coupled with local protectionism, prevents allocation and transfer plans from being implemented successfully. Consequently, cotton is not shipped out in accordance with the plan and the normal production of some textile enterprises is disrupted. Certain textile mills outside the state plan are quick to scramble for cotton anywhere they can, offering to buy up cotton at inflated prices, thus driving a large quantity of high-priced but inferior cotton onto the market. This not only severs the continuity between the plan and prices, causing loss of resources on an enormous scale, but also upsets the balance between aggregate supply and demand nationwide. When the shortage of cotton eases off or is replaced by an oversupply, some textile enterprises fail to purchase cotton as required under the plan or to stock their warehouses in accordance with the rules. As a result, a large amount of cotton just sits idle in cotton-producing areas, dampening the latter's production enthusiasm.

2. Allocation in accordance with the plan does not bring about fair competition or the intelligent allocation of resources. The purview of the state plan for the use of cotton is limited to enterprises within the plan, not those outside it. Sheltered by the planned economy, state textile enterprises lack the drive to compete or develop. As for textile plants outside the plan, they have to live with the uncertainty surrounding raw materials supplies. Consequently, China's textile industry is slow to make technological advances or improve product quality. Other consequences are contradictions within the textile

industry, conflicts between producing areas and consuming areas, and competition between the Ministry of Finance and its local counterparts.

3. The total centralization of the buying and selling of cotton is easier said than done. Officially, there is no open cotton market. In reality, there has always been a cotton market.

4. The existing price system lacks the flexibility that the law of value demands or the initiative to regulate the market. Cotton procurement and marketing prices cannot be adjusted in a timely way in response to changes in the supply-demand situation. This adversely affects the effort to increase cotton output and exacerbates the imbalance between supply and demand.

5. A fragmented and everybody-on-his-own cotton trading system does nothing to help bring out the collective strength of cotton and flax mills. The buying and selling of cotton is monopolized by the supply and marketing cooperative, a massive top-down system. Within this enormous system, there are multiple levels, made up of provincial, municipal or prefectural, and county cooperatives, each of them an economic entity that practices independent accounting and is held accountable for its own profits and losses. Out of self-interest, each unit jockeys for business and scrambles for profits at one another's expense. It is not uncommon for them to compete against one another. Some localities have even introduced preferential policies and marginal measures in violation of national policy, undermining to varying degrees peasant enthusiasm to sell cotton in accordance with their contracts and causing cotton to be shipped back and forth, which severely disrupts normal cotton procurement. Some localities have imposed protectionist measures, artificially obstructing implementation of the state plan. They ship out either more or less than required under the plan and pass along the losses, in the process taking away from the central government its ability to balance cotton supply and demand overall.

6. Cotton production development does not have enough staying power. There is an exclusive emphasis on the quantity of output while ignoring market demand.

In recent years the growing of cereals, vegetables, fruit, and aquatic products has all been deregulated. Practice proves that instead of ushering in chaos, deregulation has energized markets for those products. Why is it that only cotton remains under government control, some comrades ask? Should cotton be decontrolled? Or should it remain regulated for the time being? At stake here is a major macroeconomic regulatory and control policy. We must consider this issue with reality as our starting point. In 1993, unfavorable climatic conditions conspired with ineffectual bollworm control, the mismanagement of cotton fields, local natural disasters, and the fact that not enough cotton fields were set aside to drive down cotton output. Even to date cotton production remains highly unstable. Peasants have little interest in growing cotton.

Just as unenthusiastic are the localities. Meanwhile government cotton reserves have dropped significantly and the government has very limited macroeconomic regulatory and control ability. If we do not regulate or control the market these days, it may be thrown into chaos, leading to a string of adverse consequences. So it would be premature to deregulate cotton at this point. The national cotton work conference convened by the State Council in March 1993 decided that while we should proceed systematically step by step, in general, we must actively experiment to build up our experience.

In September 1994, the State Council reiterated the basic policy in cotton procurement and selling: "Do not deregulate cotton trading. Do not open up the cotton market. Do not decontrol cotton prices." In addition, a number of new decisions were taken, as follows:

- "Raise the procurement price of standard-grade lap waste cotton to 500 yuan per 50 kilograms, starting with the 1994 cotton year. Offer peasants extra incentives. In the past, cotton mills were given 44.62 yuan, all of it coming from the central treasury, for every 50 kilograms of ginned cotton they bought, including 14 yuan to offset the difference between the official and negotiated prices and 30.62 yuan in government subsidy. Now 44 yuan of this sum is to be awarded to cotton growers by the procurement department (regardless of the grade of the cotton or the length of the fiber) instead of giving it to the cotton-consuming enterprises. The remaining 0.62 yuan goes to the Ministry of Agriculture to be spent exclusively on developing new and improved cotton varieties that are high-yield, good-quality, and highly resistant to plant diseases and insect pests."
- "In good-variety breeding areas, factories that process good varieties and state farms are allowed to procure and process only cotton produced locally. All cotton processed shall be included in the state plan to be available for allocation and transfer by supply and marketing cooperatives at or above the county level in accordance with the state plan....No cotton procurers shall take cotton to cotton mills on their own for processing into yarn."
- "The policy of giving a 30-yuan incentive to a province for every 50 kilograms of cotton it ships out shall continue. The incentive shall be borne by the finance department of the province which purchases the cotton in question."

Our search for new cotton management methods proves that we must proceed from national interests and think about the long and medium term. We must explore ways of reforming the cotton circulation system with the criterion that they promote productive forces.

B. Reform: Basic Direction and Guiding Thought

We should consider the following basic factors in an overall context when we design a plan to reform the cotton circulation system:

1. Cotton production takes a long time and is at the mercy of Mother Nature in that it is highly vulnerable to natural and climatic conditions. Bumper harvests may alternate with crop failures, which has a vast impact on normal national economic development. Cotton production is disorganized. On their own individual peasants cannot solve the problems they encounter in production.

2. The reform of the cotton circulation system is not just a question of distributing interests among the various sectors. Also at stake are relations between the state and peasants and among industry, agriculture, and commerce, which are even more important.

3. There is a trend for the price scissors between industrial and agricultural products to continue to widen. Cotton-growing income has been on a downward slide even in normal years. When cotton prices sag, cotton production inevitably falls. When cotton prices go up, on the other hand, they necessarily drive up the costs of industrial production. As a result, industry suffers losses and consumers are adversely affected. This contradiction cannot be resolved without government intervention.

4. The current structure of the textile industry must be adjusted to meet the needs of developing a market economy, an adjustment that will take a period of time.

5. It will also take time to work out a string of major issues related to reform of the cotton circulation system, such as price formation, quality management, production planning, financial support, macroeconomic regulation and control, market development, and circulation management.

6. Relations within the supply and marketing cooperative need to be straightened out.

7. We must move in unison on the reform front. It would not be right for the provinces to launch pilot projects across the board separately. That would cause unnecessary confusion.

To sum up, the reform of the cotton circulation system must be preceded by careful verification. Our approach must be one of smooth transition, not one of making hasty moves. Tentatively we think the basic direction in cotton reform should be as follows: Develop official regulatory and control methods by sorting out policies and formulating laws and regulations, culminating in a full-fledged market system under which the state relies mainly on regulating the reserves as a means of controlling market supply and demand.

This is the basic guiding thought behind the reform of the cotton circulation system: Through hard work in the last two years of the Eighth Five-Year Plan and throughout the Ninth Five-Year Plan, we should set up a socialist cotton circulation system, complete with a new operating mechanism, that is compatible with the state of the Chinese nation. Under the guidance of the

national plan and within the framework of macroeconomic regulation and control, we should gradually broaden the role of market mechanisms and continuously increase market-regulated cotton circulation. The production, supply, and marketing of cotton should become part of the socialist market economy, using market regulation as the main tool. We should guide cotton production and consumption through an efficient, orderly, and smooth-flowing market where domestic and foreign trade are joined.

—Gradually roll back command planned management and replace it with cotton production, procurement, and marketing plans of a guiding nature, the ultimate goal being market regulation.

—Introduce price reform in stages. To protect cotton and textile production and meet the needs of international trade, the state should emulate the practice of most cotton-producing nations in the world by giving financial support to cotton production. This kind of support must be flexible, however, so that it will not become an onerous burden on the treasury. Specifically, financial subsidies currently shelled out by the treasury should be replaced in part by a policy of price supports so that the opening of the cotton market and the free buying and selling of cotton will not come about at the expense of cotton growers.

—Establish a diversified circulation system. Cotton should be able to circulate through multiple channels. Operating units must undergo necessary examination to verify their credentials. An integrated circulation entity bringing together agriculture, industry, commerce, and trade under one roof should be created in the course of time on the principles of equality, voluntary participation, and mutual benefit in order to encourage the balanced and simultaneous development of cotton production, supply, and marketing and to ensure that each gets its fair share.

—Establish a national unified cotton market under state guidance and management. Gradually set up a modern market whose core is the national cotton exchange, whose backbone is the regional markets, and whose base is the primary markets. Develop cotton spot trading and futures contract trading in accordance with a plan, forming a cotton market system that is multi-level and standardized. Organize production and circulation in accordance with the principles of the market economy through open, fair, and regularized market competition within a legal framework. Government regulation of cotton prices should be effected through the formulation of cotton procurement prices and the determination of the range within which prices may float, which are of a guiding nature and maintained through buying up or selling cotton on the cotton exchange and wholesale market.

—Establish and perfect a system in which direct and indirect government regulation of cotton production, supply, and marketing is integrated and which features

regulation and control at two levels—central and local (provincial)—with indirect, central regulation and control playing the dominant role in order to ensure the stability of the cotton market and cotton prices. Central regulation and control consists mainly of formulating a national cotton production and financial support plan, offering credit on preferential terms, and establishing a reserve system. Local regulation and control consists mainly of formulating a local cotton production and financial support plan and ensuring local reserves. Furthermore, a national cotton regulation and control system should be created, including a cotton quality assurance and testing program. Perfect a cotton exchange management system.

—Reform the cotton production structure. Gradually bring about the regional and scale planting of improved cotton varieties to meet the needs of domestic and international markets.

II. Feasibility of Reform

In its commodity state as an industrial raw material, cotton is traded on the market as bales of ginned cotton. The production base of cotton currently consists of myriad fragmented small peasant households. To drive hundreds of thousands of these households onto a cotton market that is still taking shape will produce uncertain adverse consequences. As for cotton enterprises, if they are not organized and remain on their own, they will not be as competitive on the market as they should be. Thus one of the goals of the reform of the cotton circulation system is to develop new market players and spur the formation of good cotton circulation organizations. Toward that end, we may closely integrate producers and enterprises using a particular form of organization and management and a particular interest distribution relationship. For instance, procurement contracts may be signed with cotton growers based on market demand, and peasants may be provided with information, science and technology, and material services so that they do not have to worry about the future. That way we can build a unified entity within a particular geographical area, a unified entity in which the various components complement one another's strengths and each component is a member of the market. After state planned regulation of the cotton market is gradually lifted, a forum is needed where buyers and sellers can trade to regulate cotton surpluses or shortages. Clearly the cotton procurement station is not up to this task. What is also needed are cotton exchanges, both nationwide and in the principal cotton-producing areas, so that fair, open competition can take place in cotton trading in a legal environment. To expedite the standardization and modernization of the cotton market within a legal framework and the improvement of the cotton market system, we should stipulate that cotton enterprises must be examined to see if they meet set criteria before they can enter the market. An enterprise must seek permission before it is allowed to enter the market. Provided all participants in the

market unite as one and make the most of their edge in resources, funding, and technology, and provided we rely on market regulation and the law of value, we can create a new, highly efficient, and smooth-flowing cotton circulation system that brings production, supply, and marketing under one roof and combines domestic with foreign trade. Not only will cotton enterprises be able to fulfill their regulatory and control function better, which will facilitate the organization of cotton supply, but it will resolve some of the problems encountered by cotton growers in the course of production, such as difficulties in securing materials, lack of technology, and not being able to find buyers. This, in turn, will mobilize peasant cotton-production enthusiasm and ensure the steady expansion of cotton production.

We should set up a cotton futures market in accordance with a plan under state guidance. Such a development will help stabilize supply-demand relations within the nation and prices, reduce market risk, help promote foreign trade by easing our entry into the international market, and help earn foreign exchange.

We must proceed cautiously with reform of the cotton circulation system, carrying it out step by step. Such caution is necessary given the characteristics of this particular commodity. It is an economic crop grown by tens of thousands of peasant households. Cotton growers sell 90 percent of their crop, so cotton is a major source of earnings for them. Cotton grown in a particular locality is consumed nationwide. What is produced in one season is used year-round. Cotton goods are a leading commodity in world trade. Given all these constraints, we must be extremely cautious and not try to accomplish our goals overnight. Right now we are still in the stage of relying on government policies to protect cotton production. We should not try to skip this stage by adjusting the policy too radically. We must maintain peasant incomes from cotton growing at the present level; otherwise they may lose interest in the crop, with unthinkable consequences. Precisely because cotton is unique, we can neither remain in a closed system of command planning nor deregulate the market completely and allow free trade. In the long haul, cotton circulation must assume a brand-new look. It must go the route of market regulation and futures trading, with the market guiding enterprises. But that is not possible at the moment.

Cotton circulation reform must proceed vigorously but cautiously so that it boosts cotton production, stabilizes cotton buying and selling, raises the quality of cotton, and spurs development of the textile industry. Given the present situation, the reform of cotton procurement and selling should take the approach of stabilizing procurement while deregulating selling. Only when the procurement end is secured will growers feel confident. Deregulating the market indiscriminately will only throw production into chaos, leading to a steady decline in output. As for the supply and marketing ends, we must gradually energize them under state planned guidance by

holding "goods ordering gatherings" and using other methods. That way the market can optimize resource allocation.

A gradual approach should also be the rule when it comes to reforming cotton price management. Specifically, state-fixed prices should progressively be replaced by state guiding prices. Also, floating limits should be established to regulate production and supply. A gradual transition to market-guided production and marketing should be effected.

Given the unique nature of cotton, it is imperative that we step up macroeconomic regulation and control over cotton production and trading. At a time when cotton resources are in short supply and there is a wide gap between cotton supply and demand, planned guidance, centralized management, administrative intervention, and other measures are still necessary in the production and circulation stages to help bring about a recovery in cotton production and development. Such measures are also essential to our success in reforming the cotton circulation system smoothly.

III. Impact of Reform on Interests of All Parties Involved

We should steer the buying and selling of cotton onto the market in accordance with the law of value so that it realizes its own true value. Such a development will not only help straighten out the interest relations among the various parties involved in the production, supply, and marketing of cotton, but will also help protect the interests of cotton growers.

After cotton enters the market and prices are deregulated, cotton growers will not be selling cotton to the state at one fixed price. Instead, the buyer and seller will negotiate a price depending on the supply-demand situation at the time. The peasants—the seller—will have as much right as the buyer to set prices. Since the prices arrived at will essentially be determined by market supply-demand relations, it is clear cotton selling prices will simply be market prices. Reform, the opening of China, and China's accession to GATT all require that the domestic market be ultimately realigned with the international market. Moreover, the effective trading prices of cotton on the domestic market will inevitably tend to match the international level. Therefore, when we consider the effects of cotton deregulation on the interests of cotton growers, we should use the difference between the price level set by cotton-growing nations and the price level actually reached on the international market as a benchmark. In 1994, cotton was traded at 67 cents a pound on the international market in January, 79 cents in March, and 84 cents in June. With that trend, in mind along with the cotton supply-demand situation on the world market, the price of cotton on the world market could not be expected to drop below 75 cents per pound for all of 1994. Even in the absence of a major surge, it should hold steady between 75 and 80 cents. Assuming a FOB [free on board] of 79 cents per pound

and an exchange rate of \$1:8.75 yuan, and adding five or six cents in shipping costs, tariff free and with a refund of value-added tax, the CIF [cost insurance, and freight] should be about 820 yuan per dan. In contrast, the standard supply price, tax included, at a grade 2 station was a mere 613.49 yuan per dan during the 1994 procurement year and only 742.32 yuan for the highest grade cotton as determined by state regulations, 206.51 yuan and 77.68 yuan lower than the CIF on the international market, respectively. It can thus be seen that a switch from the existing cotton management system to a market system will inevitably boost cotton prices, enhancing the incomes of cotton growers and correspondingly raising the costs for textile enterprises.

The fair formation of cotton prices through market supply and demand helps promote fair competition among the various parties in market trading. Their interest relations are straightened out through adaptation to the market and by adjusting the structure. Since the market for textile products, including cotton yarns, as well as their prices have been deregulated, and particularly because of the drop in cotton output, cotton prices set by the state have often been pushed higher in reality.

In effect, therefore, the production of textile products such as cotton yarns is already based to varying degrees on high-priced raw materials. As far as industry is concerned, an across-the-board increase in the prices of raw materials would be passed onto the market (consumers), so pressure on industry would be neutralized. For this reason, cotton deregulation would not affect the interests of the textile industry in a significant way. On the contrary, the early deregulation of cotton will only accelerate technological transformation in the textile industry, strengthen its management, raise its efficiency, and trim its costs. In particular, it would consolidate its processing capacity, adjust the production structure and distribution system, and increase product varieties that are sought-after on the market, as well as multiple processed products.

When cotton is deregulated and prices are formed by the market, the state can recover about 4 billion yuan each year that would otherwise be used to subsidize cotton procurement prices. Instead this sum of money can be put into the cotton risk regulation fund to support prices. That would help shape up the government's financial support system for agriculture.

East Region

State Minister Addresses Fujian Work Meeting

HK2404062095 Fuzhou Fujian People's Radio Network
in Mandarin 2300 GMT 14 Apr 95

[FBIS Translated Text] The 15th Fujian provincial civil affairs work meeting concluded in Fuzhou yesterday afternoon. The meeting urged civil affairs departments at all levels to be more enthusiastic and united in seizing the opportunity to develop faster, to advance the civil affairs work of our province to a new level, and to make greater contributions to economic development and social stability.

State Minister of Civil Affairs Doje Cering; provincial leaders Jia Qinglin, Chen Mingyi, Huang Songlu, Zhang Mingjun, Tong Wanheng, Chen Jiazhen; army leaders (Zhang Luzhu) and (Zhou Shenglu) cordially met with all the delegates at the meeting before the closing session.

Tong Wanheng presided over the meeting, in which a number of advanced units and individuals in the civil affairs work were commended.

Doje Cering addressed the meeting and fully affirmed our province's achievements in the civil affairs work. He said: At present, the government of our country is in an important stage of building up a socialist market economic system, and the civil affairs work must meet the needs of the new situation and serve, in a better way, the central work of the party and the state.

Doje Cering pointed out: The 10th national civil affairs work meeting set the objectives, tasks, and key principles of the civil affairs work in the days to come and defined the basic idea of the work. The key to the next step lies in the firm implementation of the guidelines laid by the national and provincial civil affairs work meetings. How to accomplish it? The first thing is we must attach importance to it; the second is we must have concrete and vigorous measures; and the third is we must have an innovative mind. Civil affairs departments and cadres at all levels must further emancipate their minds, be bold in blazing new trails, work in a creative way in light of local conditions, vigorously make a breakthrough in the civil affairs work, and strive to explore new ideas.

He stressed in particular: To bring the guidelines into effect, we must, in particular, focus on doing practical things and solid work and achieving concrete results, instead of indulging ourselves in empty talk. We must do solid work not only when engaging ourselves in economic construction, but also in dealing with the civil affairs work. We must bring into effect each and every civil affairs duty. Fujian has excellent objective conditions, was very successful in doing the civil affairs work in the past, and has gained plenty of good experience. I wish that in the process of implementing the guidelines laid by the national and provincial civil affairs work meetings, civil affairs departments at all levels will carry

out their work in a more down-to-earth manner and will achieve more remarkable results.

At the meeting, Tong Wanheng urged civil affairs departments at all levels to have a common understanding of the importance of the civil affairs work and to conscientiously implement the work in accordance with the spirit of Doje Cering's speech and the requirements set in Chen Mingyi's work report.

Fujian's Civil Affairs Minister Inspects Fujian

HK2404043995 Fuzhou Fujian People's Radio Network
in Mandarin 2300 GMT 15 Apr 95

[FBIS Translated Text] Between 13 and 15 April, Doje Cering, minister of civil affairs, inspected the work of urban resident committees in Quanzhou and Fuzhou in the company of Vice Governor Tong Wanheng. In Licheng District of Quanzhou and in Gulou District of Fuzhou, Minister Doje Cering held meetings with some local resident committee cadres, inquiring about the work of the resident committees. He fully affirmed the work results of the resident committees in Quanzhou and Fuzhou. He said: The party Central Committee and the State Council are deeply concerned about the work of the resident committees in cities, and told the Ministry of Civil Affairs to do a better job in investigations and studies, to sum up the work experience of the resident committees. You provided many useful experiences, that should be considered and summed up. It is hoped that you will sum up the situation of a sub-district and the work results of a resident committee so that reference can be given to resident committees in all parts of the country.

Minister Doje Cering stressed: Social development should keep pace with economic development. The office building and other facilities should be included in the overall budget for social development. The role of retired cadres in resident committees should be brought into play. Neighborhood resident committees should actually give play to their ability and work experience so that they will continue to make contributions to the local communities after retirement.

Jiangsu Fund Benefits Local People

OW2204131795 Beijing XINHUA in English 1245
GMT 22 Apr 95

[FBIS Transcribed Text] Nanjing, April 22 (XINHUA)—A non-governmental fund set up a decade ago in this commercial hub of eastern China has recruited more than 8,000 foreign experts and scholars to work in the country.

Over the past ten years the "Aid Fund" has also used foreign funds totalling 26 million US dollars to build various projects in hygiene, education and social services in 26 provinces and municipalities throughout the country.

It has built 45 drinking water projects in the rural areas, enabling 300,000 people to get clean water to drink, and 53 water-control projects, benefiting more than 200,000 farmers.

Founded by some Chinese religious people and celebrities in April 1985, the fund has set up friendly ties with many foreign institutions and individuals, and receives economic aid of around 20 million US dollars from abroad each year.

Jiangsu's Nanjing Plans Construction Projects

OW2304073095 Beijing XINHUA in English 0701 GMT 23 Apr 95

[FBIS Transcribed Text] Nanjing, April 23 (XINHUA)—Nanjing, capital of east China's Jiangsu Province, has decided to build 10 big infrastructural projects in the coming three years in order to boost the local economic development.

Four projects of transportation will be built, such as an inner ring and an outer ring around the downtown districts, with a total investment of 3.6 billion yuan.

The Gulou Square, the city's biggest, will be expanded to an area of 70,000 square meters.

A 16.4-km subway will be built with investment totalling six billion yuan.

Also included are a gas factory, a running water plant, a sewage treatment factory and a power supply network project.

In addition, the city will speed up the construction of a new residential area of about 10 square km.

Jiangxi Provincial Party Committee in Session

HK2404051295 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 14 Apr 95

[FBIS Translated Excerpt] The Ninth Provincial Committee of the CPC held its 11th plenary meeting on 13 April in Nanchang. The plenum decided that the 10th Jiangxi Provincial Congress of the CPC be held in late August 1995 in Nanchang. The plenum called on party organizations throughout the province at all levels and the entire party membership to rally closely around the party's central leading body with Comrade Jiang Zemin at the core, deeply study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's constitution, adhere to the party's basic line, lead the masses in the province to work hard with one heart and one mind and make new progress in all fields, and greet the forth-coming provincial party congress with concrete actions.

Thirty-six members of the provincial party committee attended the plenum; members of the provincial Discipline Inspection Commission, deputy secretaries of the party groups in the Standing Committee of the provincial people's congress and in the provincial committee of

the Chinese People's Political Consultative Conference, members of the party group of the provincial government, secretaries of various prefectural and city party committees, and principal party leaders of various provincial institutions attended the meeting as nonvoting observers.

Mao Zhiyong presided over yesterday's meeting. On behalf of the Standing Committee of the provincial party committee, Wu Guanzheng gave a report on affairs concerning the convention of the 10th Jiangxi Provincial Congress of the CPC. Wu Guanzheng's report had four parts. First, the main tasks and the agenda of the 10th provincial party congress. Second, the number, requirements, and election procedures for delegates to the congress. Third, the composition of the new provincial party committee and the proposed candidates of the committee. Fourth, achieving better work results in all fields, greeting the 10th provincial party congress with concrete actions. [passage omitted]

Shanghai To Build China's Largest Shipyard

OW2404084895 Beijing XINHUA in English 0807 GMT 24 Apr 95

[FBIS Transcribed Text] Shanghai, April 24 (XINHUA)—China plans to build its largest ship-building base in the Pudong New Area of Shanghai and foreign ship builders are welcome to take part in the project, according to Chen Jinhai, director of the Shanghai Jiangnan Shipyard.

The new shipyard will be located on the Chang Jiang River Delta, next to Pudong, which is a booming development zone in Shanghai.

Chen said that a dam project, costing 150 million yuan, for the ship-building base is to be completed and, with state approval, its construction work will involve billions of yuan of investment.

The new shipyard will be completed in three years.

The base, covering an area of 1.7 million square meters, will consist of areas for individual projects such as steel processing, hull welding, production of pipes, painting and computer-aided designing, Chen said.

The shipyard will be able to manufacture six 150,000-dwt ships each year. Consequently, the shipyard will have an annual building capacity of more than 1.2 million dwt after the construction of the base is completed, ranking itself among the ten leading ship builders in the world.

The Shanghai Jiangnan Shipyard is a veteran ship manufacturer in China, with a history of 130 years. In 1994 the shipyard turned out a total of 310,000 dwt of ships, accounting for 20 percent of the national total.

Zhejiang Holds Meeting on Counterfeit Crackdown

OW2004121495 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 18 Apr 95

[From the "Provincial News Hookup" program]

[FBIS Translated Text] A provincial work meeting on cracking down on counterfeit and shoddy goods was held in Hangzhou today. Vice Governor Zhang Qimei attended and spoke at the meeting. He said: From now until 2000, Zhejiang should focus its economic work on two areas: First, we should improve the quality of economic growth; and second, we should pay close attention to cracking down on counterfeit and shoddy goods. Last year, we endeavored to crack down on counterfeit and shoddy goods at key points, scoring notable results and pushing the endeavor to new heights. This year, all localities and departments should continue to exert efforts to create a greater momentum for cracking down on counterfeit and shoddy goods. Particular attention must be paid to strengthen quality control in (?drafting) Zhejiang's Ninth Five-Year Plan, and to enhance the awareness of quality among all people, thereby promoting the healthy development of Zhejiang's economy.

Zhejiang To Further Open Economy Development
HK2404034095 Beijing ZHONGGUO XINWEN SHE
in English 0554 GMT 22 Apr 95

[FBIS Transcribed Text] Zhejiang, April 22 (CNS)—Zhejiang Province has made overall arrangements for further opening and speeding up the development of the open economy. Yang Zucheng, Director of Zhejiang Foreign Economic and Trade Commission, said that the layout for the development of the open economy in Zhejiang is to make use of the Shanghai-Hangzhou-Ningbo Expressway, the coastal regions in Wenzhou and Taizhou, Zhejiang-Zhangzhou Railway and Jinhua-Wenzhou Railway to form three development zones, which will in turn constitute a new area of open economy from the north to the south.

Yang said that according to the above plan, in the next few years Zhejiang will greatly develop its energy, electricity, chemical industries, new high-tech industries, restructure its textile industries, and speed up the development of tertiary industries so as to form an open economy with a productive layout for the primary, secondary and tertiary industries, and improved structures.

Zhejiang, which is located along the southeast coast in China, is one of the provinces with a high degree of openness to foreign countries. At present, there are two open coastal cities, 34 open cities and counties, eight development regions at state level, 50 development regions at provincial level in the whole province. The area, population and Gross Domestic Product (GDP) of the open regions are 44 percent, 63 percent and 77 percent for the province respectively. Zhejiang has now preliminarily formed an open situation with other open coastal cities, open regions and the hinterland in the central and western parts.

At present, Zhejiang has set up economic and trading relations with more than 150 countries and regions, and

has set up 130-odd trade organizations and around 180 production enterprises in Hong Kong, the United States, Japan, Singapore, Britain, Germany, Brazil, Mexico, United Arab Emirates and so on.

Zhejiang has also basically set up a synthetic communication and transportation network which links up railways, highways, waterways and airways. On its gold coast from Hangzhou Bay to the mouth of Oujiang, Zhejiang has constructed five large ports in Zhapu, Ningbo, Zhoushan, Jiaojiang and Wenzhou, with handling capacity of 61 million tonnes. Beilun Port in Ningbo can handle ships of 150,000 tonnes, and is one of the best open ports in China.

Yang pointed out that from now on, the province will absorb international and mainland funds, strengthen development and openness to gradually form an open economy with local advantages. These are the development aims of Zhejiang in the 90s.

Yang said that Zhejiang has set the development targets from the present to the end of this century. In 2000, the GDP in Zhejiang will increase by over 10 percent on average, which will be six times of that in 1980, and people can expect to be better off sooner. In 2010, the general level of economic development in the whole province will reach the present level of medium-developed countries, and Zhejiang will be one of the first provinces to realize modernization in China.

Central-South Region

Three Gorges Project Opens Bidding

OW2304073595 Beijing XINHUA in English 0726
GMT 23 Apr 95

[FBIS Transcribed Text] Yichang, April 23 (XINHUA)—Fourteen large Chinese construction groups are vying with each other to win the bidding of building pilotage course, dam and power station facilities of the Three Gorges Project.

Located in the middle reaches of the Chang Jiang River, China's longest, the Three Gorges Project is the world's largest water conservancy project being built.

A local official said that this year is the key year for construction since the project is scheduled to dam the river in 1997.

In addition, transport and other supportive facilities for the projects will also be built through public bidding.

Guangdong Sees Steady 1st-Quarter Growth

HK2104145195 Beijing ZHONGGUO XINWEN SHE
in English 0811 GMT 21 Apr 95

[FBIS Transcribed Text] Guangdong, April 21 (CNS)—A report on macroeconomic situation in the first quarter of 1995 provided by Guangdong Provincial Statistical Bureau shows that in the first quarter of this year, the

gross domestic product (GDP) in the whole province increased by 13.4 percent compared with the same period of last year. There was a steady economic growth in the province.

Though the State has tightened its macroeconomic adjustment policy and the scale of credit, the main indicators of production, construction, commodity circulation in Guangdong have also grown at the same pace. This year, there is a good situation in agriculture with output of grains harvested in this spring increasing by 20 percent. In the first quarter of this year, the total industrial output value in the whole province grew by 20.8 percent [figure as received; Beijing ZHONGGUO XINWEN SHE in Chinese at 0849 GMT on 21 April transmits an identical item, which renders the preceding figure as 20.8 percent] compared with the same period of last year. At the same time, fixed asset investment and the total volume of retailing sales of consumer goods also increased by 26.2 and 26.1 percent respectively.

The rapid growth in export continued in the province. In the first quarter of this year, the total export value in the whole province reached US\$ 11.73 billion, which increased by over 50 percent compared with the same period last year. The added value from industrial exports was 46.1 percent of the total added value from the industrial sector, which enabled the whole industrial sector to grow by 9.6 percent.

In addition, there was a drop in price growth. In the first quarter of this year, the retail price of commodities and price of consumer goods for residents increased by 16.6 percent and 19.8 percent respectively. Their growth rates dropped by 3.9 percent and 3.3 percent respectively. The income of people both in urban and rural areas increased as the economy grew steadily.

Guangdong's Output, Sales Continue Increasing

HK2304072895 Beijing CHINA DAILY in English 22 Apr 95 p 5

[By Wang Rong: "Guangdong Notes Rise in Factory Output, Sales"]

[FBIS Transcribed Text] Guangzhou—Industrial production and sales in this southern Chinese province of Guangdong continued to increase in the first quarter of the year.

According to statistics from the Provincial Statistics Bureau, in the first three months Guangdong turned out industrial goods worth 93.61 billion yuan (\$11.28 billion), an increase of 15.4 percent over the same period last year.

Heavy industry production increased 12.9 percent to reach more than 36.29 billion yuan (\$4.37 billion), and the light industrial sector produced 17 percent more to hit about 57.31 billion yuan (\$6.9 billion).

During the January-March period, the sales volume of industrial products in Guangdong reached 125.46 billion yuan (\$15.12 billion), increasing the selling rate by 2.6 percentage points to 94.6 percent.

And unexpectedly, the industrial products sold better in the export market than in the home trade.

In the first two months, exported industrial products grew to 20.74 billion yuan (\$2.5 billion), a rise of 27.4 percent over the same period in 1994.

On the other hand, analysts worried that many problems still exist in the current industrial production.

—The growth of industrial production was down compared to the rise of more than 30 per cent in the past years.

—Production of building materials turned sizably down due to the cooling down of the hot real estate market.

—Challenged by the increasingly fierce competition, many of its brand names are losing markets and leading positions.

Guangzhou City To Build Science City in Suburbs

OW2104112095 Beijing XINHUA in English 1002 GMT 21 Apr 95

[FBIS Transcribed Text] Guangzhou, April 21 (XINHUA)—South China's Guangzhou City, a rising economic center, is planning on building a satellite city on its suburbs to house science enterprises, according to a recent announcement.

Covering an area of some 20 sq km, the four-billion-yuan (470.5 million U.S. dollars) project is designed to have six sub-areas for electronics and information science, machinery and electronics, bio-technology, medicine, new materials and new energy, and two centers serving scientific research and the urban service trade.

The city, which will take 15 years to complete, is part of a plan to turn Guangzhou, the capital of Guangdong Province, into a modern international metropolis, local officials say.

The science city will be located to the north of the Tianhe New and High-tech Industrial Zone and be flanked by the Guangzhou-Shenzhen expressway.

Guangzhou GDP Sees 1st-Quarter Growth

HK2204014995 Beijing ZHONGGUO XINWEN SHE in English 1350 GMT 21 Apr 95

[FBIS Transcribed Text] Guangzhou, April 21 (CNS)—The economy in Guangzhou City continued to see a rapid development in the first quarter of this year, with its gross domestic product (GDP) hitting 22.46 billion yuan, up 13 percent over the same period of last year. The city made sound progress in utilizing foreign capital and export, and saw an obvious slowdown in inflation.

At a press conference, a leader of the municipal Statistical Bureau said Guangzhou maintained quite a rapid growth in industrial production in the first quarter of this year and earned an added value of 8.78 billion yuan from the industrial sector, a 15.85 percent rise over the corresponding period of last year. Meanwhile, the ratio of sales to production of industrial products stood at a high level of more than 97 percent.

There was a booming consumption market in the city in the first quarter with a 19.8 percent growth in retailing sales of consumer goods.

Inflation rate slowed down in the first quarter with the overall commodity retailing price increasing by 12.4 percent over that of last year, lower than the average level of both the whole country and the entire Guangdong Province. Moreover, real income of residents rose by 9.6 percent over the same period of last year.

At the press conference, Guangzhou Deputy Mayor Chen Kaizhi also revealed that the city actually utilized foreign capital of US\$ 519 million in the first quarter, up six percent over the same period of last year. Meanwhile the city's gross export value in the first quarter was US\$ 1.2 billion.

Guangzhou Sees Sound Development From Jan-Mar

OW2204091695 Beijing XINHUA in English 0835
GMT 22 Apr 95

[FBIS Transcribed Text] Guangzhou, April 22 (XINHUA)—South China's rising economic center Guangzhou city witnessed a double-digit economic growth in the first quarter of this year, with inflation down and urban residents' income up, latest statistics show.

The city's GDP registered a year-on-year rise of 13 percent to reach 22.46 billion yuan (2.642 billion U.S. dollars) in the first three months.

The industrial output value surged 16.61 percent to top 31.56 billion yuan, with that of the State sector growing by 4.29 percent and the other types of economy by 30.6 percent.

Foreign trade maintained its growth momentum, with the total import and export volume hitting 1.5 billion U.S. dollars and the actual use of overseas funds reaching 519 million U.S. dollars, respectively up 57.13 percent and 6.14 percent. The enterprises involving overseas investment witnessed a high growth of 57.9 percent in their exports.

The price index dropped constantly in the first quarter, with the growth of the retail price down 7.6 percent and consumer price down 5.8 percent, all below the national average.

A sample survey shows that the average urban residents' monthly income reached 787.74 yuan, 9.63 percent higher than last year's figure in real terms.

Meanwhile, the city increased the agricultural input by 50.93 million yuan, or a 48.42 percent rise over last year.

NPC Vice Chairman Chen Muhua Visits Guangxi

HK2404044195 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 18 Apr 95

[FBIS Translated Text] From 8 to 17 April, Chen Muhua, vice chairman of the National People's Congress (NPC) and chairman of the All-China Women's Federation, led a team responsible to conduct an all-round general survey of the implementation of the NPC law on protection of women's rights and interests to our region.

During their inspection of our region, they listened to reports presented by leaders of relevant departments, such as the regional people's congress, the regional government, the regional personnel department, the regional higher people's court, and the regional federation of women. Afterwards, they divided themselves into two groups to respectively go to Baise, an old revolutionary area, and coastal and border prefectures, cities, and districts, such as Beihai, Fangcheng port, and Liuzhou, to conduct in-depth and sustained inspections. After completing the inspections, the team held meetings with the regional authorities concerned to report on our region's implementation of the law on protection of women's rights and interests and on the work which must be strengthened.

Vice Chairman Chen Muhua is very concerned about women's work in Guangxi. During her stay in our region, she disregarded her fatigue caused by tense work during those nine days and came to the regional center for women and children activities to call on retired veteran cadres and comrades, cadres and workers of the regional federation of women, and leading comrades of the women's federations of Nanning City and Nanning Prefecture.

Vice Chairman Chen made this visit in the company of regional leaders, including Deputy Regional Party Secretary Ma Qingsheng, Vice Chairman of the regional people's congress Zhang Mujie, and special adviser to the regional government (Wang Rongzhen).

Henan Party Secretary on Radio, Television Work

HK2404051095 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 3 Apr 95

[FBIS Translated Text] At the recent provincial work conference on radio and television broadcast, Secretary Li Changchun of the provincial party committee sent a letter to extend his congratulations. He fully affirmed the work achievements in the field of radio and television broadcast over the past year, and also set forth requirements and hopes for future work. This greatly inspired and encouraged people attending the meeting.

In his letter, Comrade Li Changchun said: I sincerely extend my congratulations to the provincial work conference on radio and television broadcast, and through

you, convey my regards to all comrades working on this front. Radio and television broadcast is of great significance in promoting reform and development, safeguarding social stability, conducting ideological education on patriotism, collectivism, and socialism, and enriching the people's cultural lives and developing socialist spiritual civilization. Since the beginning of reform and opening, especially in recent years, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, the radio and television work in this province effectively served the central task of economic construction, closely supported the central tasks of the provincial party committee and the provincial government in various periods, and played a great positive role in giving publicity to reform, opening, and achievements in all aspects of economic construction; promoting the ideology of patriotism, collectivism, and socialism; eulogizing the great practice of the masses and advanced examples of all types; giving publicity to Henan; giving education, guidance, and inspiration to the entire population of this province to keep unity and make progress.

The new situation also brings about new and higher requirements for radio and television work. Along with economic development and social progress, the people will hope for higher-quality radio and television programs; on the other hand, radio and television broadcast will become more and more influential in people's lives. Thus, the radio and television stations will be facing more and more important tasks. Therefore, it is hoped that you will increase the sense of responsibility and urgency; conscientiously implement the central leading comrades' important instructions on radio and television broadcast, and carry out Comrade Jiang Zemin's instruction about one guideline and four major tasks; correctly handle the relationship between reform, development, and stability; always attach top importance to guaranteeing the correct orientation of public opinion; give full play to the advantages of radio and television broadcast so that it will continue to play a positive role in guiding and encouraging the people internally and establishing and showing Henan's new image externally; continue to do down-to-earth work by going deep to the forefront of reform and economic construction and directing your microphones and cameras to the people at the grass-roots level; create a benign public opinion environment for reform and economic construction in this province.

Party committees and governments at all levels must be clearly aware of the importance of radio and television broadcast, pay close attention to the work in this regard, strengthen guidance and leadership over radio and television broadcast, and guarantee the implementation of all relevant policies and measures as General Secretary Jiang Zemin required.

Qingming Festival Held in Henan

HK2404054695 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT: 5 Apr 95

[FBIS Translated Excerpt] On 5 April, Qingming Festival is celebrated, and various memorial activities were held in this province to commemorate revolutionary martyrs.

On the morning of 5 April, a ceremony was held in Kaifeng for unveiling the inscribed signboard of the Liu Shaoqi Memorial Museum. The signboard of the Memorial Museum of Liu Shaoqi in Kaifeng was written by Comrade Bo Yibo on 10 February 1995. Comrade Liu Shaoqi died in Kaifeng on 12 November 1969. The Kaifeng City Government designated the place where Comrade Liu Shaoqi died as an important protected relic and a patriotic education base for youths.

On the morning of 5 April, more than 20,000 people in all walks of life held a rally in the cemetery of revolutionary martyrs in Zhengzhou to commemorate revolutionary martyrs. Leaders of the provincial party committee, the provincial government, the provincial people's congress, the provincial committee of the Chinese People's Political Consultative Conference, the provincial military district and Zhengzhou City laid wreaths in front of the monument of martyrs. [passage omitted]

Henan Governor Visits Singapore

HK2404054895 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 5 Apr 95

[FBIS Translated Excerpt] Between 1 and 5 April, the Henan Provincial Government delegation headed by Governor Ma Zhongchen paid a visit to Singapore. The delegation came into extensive contact with people in all circles, and held meetings to introduce Henan's situation. In recent years, leaders of this province and leaders of Singapore exchanged visits, promoting friendly exchanges between the two sides and speeded up the pace of economic and technological cooperation. [passage omitted]

On the afternoon of 3 April, the delegation held a meeting to introduce Henan's situation in Singapore's Mandarin Hotel. Over 280 people in the political, business, and journalistic circles of Singapore attended the meeting. The provincial government introduced 106 development projects for inviting investment. Responsible officials of the Trade Development Council of Singapore and the Chinese Embassy in Singapore also attended the meeting and made speeches. People attending the meeting showed high interest in Henan, and the atmosphere of the meeting was warm. [passage omitted]

During the visit, agreements on five projects were signed, and the total investment amounted to 640 million yuan. [passage omitted]

On the afternoon of 4 April, Mr. Lee Kuan Yew, Senior Minister of the Singapore Government, cordially met with Governor Ma Zhongchen and Vice Governor Yu Jiahua in the Presidential House in Singapore, expressed warm welcome to the governor. Governor Ma said: After Senior Minister Lee led Singapore's business and trade delegation to visit Henan in early October last year, good conditions were created for cooperation and exchanges between Henan Province and Singapore. The exchange

of visits between people in various circles on both sides continued to increase. This increased mutual understanding, and promoted economic and trade cooperation and exchanges. The current visit of the Henan delegation to Singapore is aimed at quickening the pace of economic and technological cooperation between the two sides. Agreements on some new cooperation projects have been signed. This has laid a good foundation for the further development of cooperation and exchange. It is also hoped that new development will be made in the aspect of tourist cooperation.

Senior Minister Lee said: According to Singapore's experience, the transportation issue must be properly solved in order to make economic development. At present, international trade depends on rapid maritime and air transportation. Highway transportation should also be developed. Expressways should be built to link the ports. At the same time, there should be modern management means. The tourist industry can be developed without spending too much money. The key lies on improving transportation and hotel facilities. Henan will develop more impressively in the next five years. Lee Kuan Yew added: In the course of economic development, we are facing similar problems other developed countries also faced in the past. We should not repeat their mistakes. Their successful experience should be taken as reference in order to prevent us from making a detour and to quicken our development. When attracting foreign investment, there should be a benign social environment and stable social order so that foreign investors feel well when coming to your country and feel that the people there are trustworthy and their investment will yield good returns. The success of the first external investor will attract thousands of followers.

Governor Ma welcomed Senior Minister Lee to visit Henan again at his convenience, and Lee said that he would visit Henan again. The meeting lasted 40 minutes and ended in an extremely cordial and friendly atmosphere. [passage omitted]

Southwest Region

Inner Mongolia's Coalfield Construction Proceeds

OW2304131095 Beijing XINHUA in English 1250
GMT 23 Apr 95

[FBIS Transcribed Text] Hohhot, April 23 (XINHUA)—The whole first-phase project of the Jungar coalfield in Inner Mongolia Autonomous Region, involving the largest investment in China's coal industry, is nearing completion, with some individual ones going into operation already.

During the five years till the end of 1994, the first-phase project, including coal exploration, power generation and railway transport, had taken in a total investment of six billion yuan (about 710 million US dollars).

The installation for excavation and transport of the Heidaigou opencut coal mine, together with other auxiliary facilities, is to be completed. The coal mine is designed to turn out 12 million tons of coal each year.

Two 100,000-kw generating units of the power plant near the coalfield have been sending out power from 1993, and an expansion project is well under way.

As for transport, a 2,681-km electrified trunk railway, linking the Jungar coalfield with Datong in Shanxi Province, is being built.

In addition, an auxiliary water diversion project, with an investment of 180 million yuan, is under smooth construction.

It is learned that China will put another 1.9 billion yuan to the Jungar coalfield this year to speed up its development.

Reportage Covers Tibet Judicial Conference

Leader Calls For Reform

OW2204115395 Lhasa Tibet Television Network in
Mandarin 1200 GMT 7 Apr 95

[From the "Regional News Hookup" program]

[FBIS Translated Text] Speaking at a regional conference on judicial administration on 7 April, Gyamco, executive vice chairman of the Tibetan Regional People's Government, stressed that judicial administrative organs at all levels in the region must attach great importance to building a contingent of judicial administrative cadres and policemen, particularly the building of the leading bodies at all levels, and adopt strong measures to improve their political and professional standards. He called for accelerating cadres' and policemen's training at different levels, by various means, and in a well-planned way. [video shows Gyamco, seated on a platform in a conference room, reading from a prepared text]

Gyamco said: Western hostile forces and separatists often use human rights to distort facts and smear our prison and reform-through-labor work. Judicial administrative organs must attach great importance to prison and reform-through-labor work, comprehensively implement the Prison Law, further perfect relevant laws, improve prison rules and regulations, and operate prisons strictly according to the law. Judicial administrative organs should help carry our reform to increase the ranks of notaries, lawyers, and other legal service personnel and expand their business. We must strive to establish a sound legal service system in all parts of the region by the end of the Ninth Five-Year Plan and bring every type of work in our region within the jurisdiction of law.

Speaking of comprehensively tackling problems of public order, Vice Chairman Gyamco stressed: To comprehensively tackle problems of public order, judicial

administrative organs in our region must make full use of the functions of striking, prevention, education, discipline, cultivation, and reform and vigorously implement all relevant measures. Special attention must be paid to fundamental work at the grass-roots level. We must make mediation service available to more people, and uphold the principle of combining dispute mediation with crime prevention, with emphasis placed on the latter. We must strive to enhance our ability to prevent crimes and mediate disputes to contribute to the region's social stability, unity among various nationalities, and economic development.

Basang, deputy secretary of the regional party committee; Baimaduoji, vice chairman of the regional People's Congress Standing Committee; Tudeng Caiwang, secretary of the leading party group of the regional procuratorate; Namgyai, deputy secretary of the regional Political and Legal Commission; Zhang Zhu, political commissar of the regional People's Armed Police Corps; Tan Huasheng, commander of the regional People's Armed Police Corps; and comrades in charge of various other units attended the conference. [video shows each leader seated at the platform as their names are read]

Judicial Conference Ends

OW2204115495 Lhasa XIZANG RIBAO in Chinese 10 Apr 95 p 1

[Report by XIZANG RIBAO reporter Ye Xiaochun (0673 2556 2504): "Regional Judicial Administrative Conference Ends"]

[FBIS Translated Text] A three-day regional conference on judicial administration ended in Lhasa 7 April.

During the conference, leaders of the regional Department of Justice relayed the guidelines of the national conference of directors of justice and the National Prison Work Conference. Participants studied the State Council "Circular on Further Strengthening Prison Management and Reeducation Through Labor" and important speeches by central leading comrades. Comrade Jia Qu [transliteration as received], secretary of the leading party group and director of the regional Department of Justice, reviewed and summed up last year's judicial administrative work and made arrangement to better exercise the functions of judicial organs and provide better service for the region's reform, open, economic development, and social stability in the new year.

Gyamco, executive vice chairman of the Tibetan Regional People's Government, gave an important speech at the conference. He fully affirmed the achievement made by the region's judicial system in carrying out prisoners' reform and reeducation of juvenile delinquents through labor, in expanding attorney and public notary services, in publicizing the legal system, and in promoting civil mediation in the past year. Vice Chairman Gyamco pointed out: This year marks the

30th anniversary of the founding of the Tibetan Autonomous Region. It is also a year crucial to implementing the guidelines of the Third Central Forum on Work in Tibet. All judicial administrative cadres and policemen must clearly recognize the situation; achieve unity in thinking; strive to carry out judicial administrative work; fully recognize the importance of judicial administration to accelerating reform, opening, and economic construction as well as to safeguarding social stability; make full use of their strong points to provide quality and all-round legal protection and service to the region's in-depth reform and economic development; take further steps to publicize the legal system and promote its education to enhance the sense of law among cadres and masses of all nationalities in the region; earnestly and promptly mediate social contradictions to promote harmony among cadres and masses in our region and enhance great national unity; make new contributions to the region's social stability, reform, opening, and economic development; and perform concrete deeds to greet the 30th anniversary of the founding of the autonomous region.

Basang, deputy secretary of the regional party committee; Baimaduoji, vice chairman of the regional People's Congress Standing Committee; Namgyai, deputy secretary of the regional Political and Legal Commission; Tudeng Caiwang, secretary of the leading party group of the regional procuratorate; Zhang Zhu, political commissar of the regional People's Armed Police Corps; and other comrades in charge of various other departments concerned attended the conference. More than 100 people attended the conference, including chiefs of the region's prefectural (city) judicial departments (bureaus), wardens and political commissars of prisons, and persons in charge of various prefectural (city) legal offices and notaries public.

Beatings Threaten Lives of Tibet's Prisoners

HK2204084595 Hong Kong EASTERN EXPRESS in English 22 Apr 95 p 8

[By Staff Reporter]

[FBIS Transcribed Text] Chronic illness allegedly caused by internal damage from beatings sustained in prison is threatening the lives of prisoners and former prisoners in Lhasa months or even years after their release. Three further cases were reported this week by an independent Tibet information organisation.

At least one person, Dawa Tsering, 22, is known to have died.

According to Tibetan medical workers quoted by the Tibet Information Network, Tsering was 17 years old at the time of his arrest on March 8 1989. He was sentenced to a 12 month re-education-through-labour jail term at Outhridu (Brigade No 5) labour camp.

He was taken to hospital by his family immediately after his release in March 1990 and remained there until he died four years later.

Tibetans allege there have been several serious cases as a result of kidney damage, which can lead to gradual deterioration and death.

Ngawang Chendrol, 19, a nun was transferred from Lhasa's Drapchi prison to a hospital in January 1995.

She is suffering from kidney damage compounded by malnourishment, Tibetan sources said.

"If she recovers she will have to go back to prison," a nun who was in prison with Chendrol said, adding that she doubted the young nun would recover.

In a third case, a monk Yeshe Khedrup, 24, was transferred in a serious condition to the Police Hospital in Lhasa on or shortly after November 5 1994.

Also an inmate of Drapchi prison, Khedrup was serving a six-year sentence for taking part in a demonstration on May 6, 1992.

The Tibet Information Network (TIN) said other prisoners in Drapchi are suffering from non-life-threatening conditions as a result of beatings or other factors.

Ngawang Rigdrol, 20, a nun who was given a six-year jail term for a demonstration in June 1992, is suffering at least partial blindness, possibly as a result of being held for three months in solitary confinement in a darkened room in 1992.

At least 113 persons have been arrested in Tibet in 1994 for political crimes, according to TIN.

North Region

Beijing Secretary Speaks Before CPC Plenum

SK2204043595 Beijing BEIJING RIBAO in Chinese 16 Mar 95 p 1

[By reporter Ding Yatao (0002 0068 7290): "Sixth Plenary Session of Seventh Beijing Municipal CPC Committee Held"]

[FBIS Translated Text] The sixth plenary session of the seventh Beijing Municipal CPC Committee was held on 15 March.

Chen Xitong, secretary of the municipal party committee, and Li Qiyang, deputy secretary of the municipal party committee and mayor, chaired the session in the morning and the afternoon, respectively.

Attending were Zhang Jianmin, Wang Daming, Li Zhi-jian, and Chen Guangwen, as well as members and alternate members of the municipal party committee. Attending as nonvoting delegates were members and alternate members of the party Central Committee and members of the Central Discipline Inspection Commission living in Beijing; the secretary and deputy secretaries of the leading party group of the municipal people's congress standing committee; the secretary and deputies secretaries of the leading party group of the

municipal Chinese People's Political Consultative Conference committee; vice mayors, advisers, secretary general, and mayor's assistants of the municipal government; deputy secretary general of the municipal party committee and major responsible persons of the various departments, committees, and offices of the municipal party committee and the relevant committees and offices of the municipal government; and secretaries of district and county party committees.

The agenda of the session was to discuss the (draft) "major points of the Beijing Municipal CPC Committee's 1995 work." The participating comrades held group discussions in the morning, and the "major points of the Beijing Municipal CPC Committee's 1995 work" was approved in principle in the afternoon. The "major points" state: In doing work in 1995, the Beijing Municipal CPC Committee should comprehensively implement the central principles, keep Beijing's reality firmly in mind, further emancipate the mind, uplift the spirit, firmly seize the opportunity, achieve breakthroughs in key areas, and make important strides in attaining a moderately prosperous life ahead of schedule, in reform, and in construction. The municipal party committee's 1995 work consists of six major aspects: 1) Continue to facilitate sustained, rapid, and healthy economic development. 2) Further deepen reform, open wider, and increase efforts in economic restructuring. 3) Strengthen socialist democracy and the legal system and ensure political and social stability in the capital. 4) Conscientiously make party building successful. 5) Carry out propaganda and ideological work successfully and greatly strengthen the spiritual civilization. 6) Further improve the party's way of thinking and style of work.

Chen Xitong gave an important speech at the end of the session. He said: In doing work this year, the municipal party committee should keep firmly in mind the general task of "seizing the opportunity, deepening reform, opening wider, promoting development, and maintaining stability" for the work of the entire party and entire country. For a considerable period in the future, it should implement this important guiding principle and handle still better the relationship between reform, development, and stability. The party Central Committee has defined the principles and tasks for this year's work, and Beijing Municipal has also made specific arrangements in line with its reality. These major points were put forward from the angle of the party's work, and many of them have been put into practice. What we need to do now is pay close attention to them and implement them to the letter.

Chen Xitong said: While carrying out all the work tasks for this year in a conscientious and down-to-earth manner, we should focus on priorities, conduct investigation and study, and make new breakthroughs in some aspects. We should achieve new progress in all of Beijing's work. These priorities are as follows. First, we should acquire a deeper understanding of the nature and characteristics of the capital, conduct in-depth and

extensive "three-service" education, take the initiative in considering the overall situation, defend the authority of the party Central Committee with Comrade Jiang Zemin as the core, set high requirements and strict demands on political construction, environmental construction, scientific and cultural construction, and the economic construction compatible with the characteristics of the capital, and better serve the central authorities, the international and domestic exchanges, and the people across Beijing. Second, we should succeed in "making one guarantee and ensuring three good aspects" to usher in the World Conference on Women. The "one guarantee" is to guarantee political and social stability. The "three good aspects" are good order, good and beautiful environment, and good service. We should, above all, achieve stability. This is not only the task of prime importance to ensure the smooth progress of the World Conference on Women and various international and domestic activities, but is also the first task for the capital. We should make a new breakthrough in building two foundations this year. On the one hand, we should strengthen the contingent of public security, procuratorial, and judicial personnel and make it loyal to the party, to the motherland, and to the people, and capable of fighting difficult battles. On the other hand, we should strengthen the contingent of the masses engaged in crime prevention and rectification and make it a gigantic contingent of mass activists. Only when these two foundations are built well and the efforts of specialized personnel and the masses are combined, can we bring about a fundamental turn for the better in the public security of the capital and ensure the smooth progress of reform, opening up, and the modernization drive. This year, we should regard establishment of security committees as an important link, exert great efforts to establish, consolidate, and improve these committees, and, through this, promote the implementation of the leadership responsibility system, the crime prevention and rectification by the masses, and other work. Third, we should succeed in restructuring the economy, especially in restructuring industry. This is one of the major tasks for this year's economic work. Fourth, we should make unremitting efforts to tackle the three difficulties—mountainous areas' endeavor to achieve prosperity, low-income staff members and workers, and housing—which affect the efforts to achieve a moderately prosperous life three years ahead of schedule. Fifth, we should strengthen the persuasion and management of transient people. After investigation and study, we should build managerial institutions, draw up corresponding laws and regulations, and establish and improve the managerial system. We should also make new contributions to party building, improvement of ideological and theoretical levels, the spiritual civilization, the building of a industrious and clean government, improvement of democracy and legal system, the education in patriotism, and the united front work.

Beijing Maintains 'Rapid' Economic Growth

OW2104161095 Beijing XINHUA in English 1502
GMT 21 Apr 95

[FBIS Transcribed Text] Beijing, April 21 (XINHUA)—Beijing, China's capital city, maintained a sustained, rapid and healthy economic growth in the first three months of the year, with fast industrial development, stable agricultural production and brisk markets.

Statistics released today by the Beijing Municipal Statistics Bureau revealed that Beijing achieved 21.37 billion yuan-worth of gross domestic product (GDP), a growth of 11.4 percent over the same period of last year in terms of constant prices.

According to the bureau, the municipality produced 27.41 billion yuan in industrial output value, a rise of 15.8 percent. The economic performance of the state-owned enterprises saw great improvements, also, the bureau said.

Since the beginning of this year wheat has been growing well around Beijing, and a good harvest is expected. Vegetable production grew by 51.7 percent, pig production by 5.4 percent and milk production by 6.8 percent over the same period of last year.

In the first three months of this year Beijing achieved 18.79 billion yuan in retail sales volume, up by 25.7 percent. The growth of investment in fixed assets saw a trend of decline as the city completed 5.58 billion yuan in such investment in the first quarter of this year, a marked fall compared with the drastic growth rate in the same period of last year.

According to the bureau, the city achieved 754 million US dollars-worth in import and export value in the first quarter of the year, up by 34 percent. Of this, 569 million US dollars came from exports. During the period, the city approved 411 foreign-funded enterprises, with 708 million US dollars in contract investment and 420 million US dollars in actual arrival.

The statistics show that Beijing earned 878 million yuan in local revenue, up by 39.2 percent. Bank savings at the end of March were 17.81 billion yuan more than at the beginning of the year and the balance was 3.4 billion yuan more.

In the first quarter of the year the consumer price index jumped by 19.4 percent, and the retail sales price index shot up by 13.3 percent. A sample survey shows that net income of Beijing residents grew by 5.5 percent in the first quarter.

Former Beijing Leader's Secretary Suspended

HK2204084695 Hong Kong SOUTH CHINA
MORNING POST in English 22 Apr 95 p 8

[By Jasper Becker in Beijing]

[FBIS Transcribed Text] The secretary of the former head of the Beijing Public Security Bureau has been suspended from duties as investigations into corruption among the city's top-ranking Communist Party officials continues.

Western diplomats said the aide, Su Zhongxiang, had apparently come under suspicion as investigators from the Central Commission for Disciplinary Inspection examine the involvement of Beijing officials in a number of major financial scandals.

Meanwhile, the Beijing Party committee has issued a directive instructing members not to believe rumours or spread them. Despite the ban, diplomatic and Chinese sources believe the aide of at least one ranking official has died in custody.

Rumours that officials have been or are being silenced in mafia-style killings have been given credence by the continuing silence of the press over the death of vice-mayor Wang Baosen.

Reports in Hong Kong's Chinese press claim his brother, Wang Baochuan, a deputy director of the Beijing branch of the Communications Bank, has been taken into custody.

In the absence of any official statements, it is believed at least 30 officials have been questioned or arrested, including the aides of Beijing Mayor Li Qiyang and Deputy Mayor Zhang Baifa.

Western diplomats believe the Party Secretary of Beijing, Chen Xitong, is fighting for his political life. If that is the case, Western analysts assume he may have launched his own anti-corruption campaign to give the impression that he is in charge of the purge.

Lower-ranking party cadres have been summoned to daily work unit meetings this week and warned not to abuse their power and succumb to temptation. They have been shown a secret documentary produced by Chinese television which demonstrates how party investigators have uncovered evidence of earlier scandals.

One example used was the so-called Great Wall Scandal a few years ago when senior officials were punished for a huge bond fraud. Sources said the documentary contained graphic shots of officials being executed, including the Great Wall chairman Shen Taifu.

It is still far from clear what sort of crimes are under investigation. Diplomatic sources said they were connected with the Capital Iron and Steel Works, building schemes for the 1992 Asian Games and Oriental Plaza development project.

It is now expected that Mr Chen will be replaced. Mr Jiang is thought to favour one of his former associates from Shanghai, but some sources have tipped Luo Gan, a 55-year-old technocrat from Shandong who is currently Secretary General of the State Council.

Meanwhile, the semiofficial Hong Kong China News Agency reported last night that a law on the declaration of assets by civil servants was likely to come into effect next year.

Beijing Stores To Become Top Suppliers

OW2204104295 Beijing XINHUA in English 1012
GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—State-owned chain shops will become the leading supplier of grain and oil for Beijing citizens in two or three years, officials said here recently.

In a meeting on grain and oil supply, Vice-Mayor Meng Xuenong of Beijing said that a new grain and oil supply system featuring chain shops will be established so as to exercise an efficient and stable control on grain and oil supply.

The Beijing Municipal Government has been probing for ways to save the State-owned grain and oil shops from making losses and guarantee supply of grain and oil for the citizens in the capital, he said.

About 600 such shops will be established in the eight urban districts and another 200 shops be established in the suburban areas. A chain shop management system will be introduced.

The Beijing Municipal Government has decided to put some 80 million yuan in transforming designated state shops into chain shops and establishing a grain and oil supply center in each urban district, according to Meng.

At least 200 such shops in the urban areas will become chain shops within the year and the remaining 600 will be set up in two or three years.

Hebei's Cheng Writes for Two Teaching Materials

SK2304053995 Shijiazhuang HEBEI RIBAO in Chinese 13 Mar p 1

[FBIS Translated Text] Cheng Weigao, secretary of the provincial party committee, wrote prefaces for two teaching materials for party classes—"Study the Theory on Building Socialism With Chinese characteristics" and "Speech on the Study of the Party Constitution"—which will come off the press soon. He called on Communist Party members across the province to arm their minds with the theory on building socialism with Chinese characteristics and to standardize their statements and actions with the party constitution.

These two teaching materials are respectively compiled by the Propaganda Department and the Organizational Department of the provincial party committee in line with the provincial party committee's "Opinions on Devoting Three Years To Conducting Activities on

Studying the Theory on Building Socialism With Chinese Characteristics and the Party Constitution Among Party Members Across the Province."

In the prefaces, Cheng Weigao said: Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the Marxism of China of the present age as well as an ideological weapon and a guide to action, leading us to create brand-new undertakings during the new historical period. The party constitution adopted at the 14th party congress is a programmatic document for strengthening party building during the new period. Arming the minds of party members across the province with the theory on building socialism with Chinese characteristics, and standardizing their statements and actions with the party constitution, are of great significance in raising the quality of the ranks of party members; in intensifying the fighting capacity of party organizations at all levels; in strengthening and improving the party's leadership; and in promoting the great practice of reform, opening up, and building an economically strong province.

Cheng Weigao analyzed the historical heavy tasks which our party has to shoulder in the course of China's reform, opening up, and modernization drive during the present age under the conditions of the world's changeable situation; he listed a number of problems among the ranks of party members which urgently await solutions. He pointed out: Concentrating a certain period a time to generally conduct activities to study the theory on building socialism with Chinese characteristics and the party constitution is urgently needed among party members across the province.

The preface states: In the course of study, it is necessary to exert efforts to resolve three issues. First, foster communist ideals; strengthen the conviction on following the socialist road with Chinese characteristics; enhance consciousness in upholding the party's basic theory and basic line; and set examples in implementing the party's various policies. Second, uphold the purpose of serving the people wholeheartedly; maintain close ties with the masses; perform official duties honestly; observe law and discipline; and consciously resist money-worshipping, individualism, and the corrosive influence of the decadent way of living. Third, conscientiously perform one's obligations in line with the stipulations in the party constitution; correctly exercise one's rights; and make contributions to reform, opening up, and building an economically strong province.

At the end of the prefaces, Cheng Weigao called on the broad masses of party members to enhance ideology and understanding and strengthen consciousness in study. He urged party organizations at all levels to begin this with themselves first, leaders at all levels to take the lead in the study and in grasping this work, each level to grasp and lead the study of the next level, and top leaders to make special efforts to conscientiously grasp the study and guarantee that study activities will be successfully carried out, and that expected results will be achieved.

Tianjin Mayor's Presents Speech at NPC Meeting
SK2204075095 Tianjin TIANJIN RIBAO in Chinese 8 Mar 95 p 1

[FBIS Translated Text] The entire government work report of Premier Li Peng is imbued with the ideology of wholeheartedly serving the people. This ideology profoundly embodies the dialectical materialism and historical materialism and is the fundamental guarantee for our social stability and development of various undertakings over scores of years. I fully support this ideology. Regardless of whatever we do, whether in conducting reform and opening up, developing the national economy, and curbing the rise in commodity prices or in strengthening agriculture and successfully running state-owned large and medium-sized enterprises, we should place the starting and resting points in improving the material and cultural life of the people and seeking benefits for the broad masses of people. One of the most important reasons for Tianjin's economic development, stability in the overall situation, and smooth progress of reform and opening up over the past years is that we have always upheld the basic work ideology of "doing everything for the sake of the people and relying on the people while doing everything," kept eyes on the urban and rural residents whose incomes are of average or low level while pondering issues and defining policies, firmly grasped the three major affairs of curbing prices, improving the living conditions of workers who have financial difficulties, and supporting the rural areas, and never allowing even one family or household to have difficulties in living. We have always regarded the hot issues and difficult points reflected by the people as our work priorities, earnestly done practical things for the people, and mobilized the enthusiasm, initiative, and creativity of the broad masses of people.

1. We have maintained free airing of views and always listened to the voice of the masses.

How to comprehensively, accurately, and promptly learn about the actual desires of the masses is an issue which we have been exploring for many years. On the one hand, pooling the wisdom of the masses will enable us to provide a basis for the policymaking of the party committee and the government; and on the other hand, only by learning about the difficulties in face of the masses and the issues of a general character which need solutions can we definitely adjust our work priorities. First of all, we have established special telephone lines to serve the people, issued telephone numbers to the public, and kept it operating for 24 hours. Thus, ordinary people have found a place to voice complaints, and the governments at all levels can listen to the comments from the masses in a timely manner. At present, the whole municipality, from the municipal government down to the various districts, counties, bureaus, and relevant functional departments, have established a total of 187 special telephone lines so that the opinions of the masses can be sent to leaders at all levels every day through the form of giving simple reports. Last year alone, the special

telephones of government organs received 6,238 telephone calls from the masses, of which, 6,023 cases had been concluded, and many suggestions of the masses have been adopted and applied to work. Second, we have held two forums at regular intervals each year, during which mayors and vice mayors of the government have listened to the opinions of deputies and members of the Chinese People's Political Consultative Conference on the work they have been in charge of in an effort to unceasingly improve our work. Third, we have urged leaders at all levels to go deep to the grass roots to conduct investigation and study and to the rural areas, plants, and the forefront of production to see whether our various plans have been implemented or not, to learn about the comments of the grass-roots units and the problems of a common character they have met, and to help them eliminate misgivings and resolve difficulties.

Thanks to our efforts to adopt various channels to learn about the real desires of the broad masses of people, the shortcomings and disparities in our work, and the existing difficulties in the work and the living conditions of the masses, we have succeeded in giving full consideration to the wishes of the masses while pondering issues and defining policies, and have received popular support.

2. The hot issues and difficulties reflected by the masses are our work priorities.

In his report, Premier Li Peng said that governments at all levels should closely rely on the the working class and the broad masses of workers while carrying out their work, do a good job in conducting investigation and study, prudently listen to the opinions of people from all social circles, and promote democratic and scientific policymaking. It is necessary to care for the hardships of the masses, pay attention to the visits and letters from the masses, properly handle and promptly resolve the internal contradictions of the people, and promote social stability. We have strived to do so in our practical work. Last year, the municipal party committee and government tried by all possible means to adopt various measures to solve the four hot issues reflected by the masses and achieved new progress in this aspect.

Regarding market and price issues, we have never slackened our efforts for a moment to grasp market management and commodity prices in the spirit of being held highly responsible before the people. Especially during the process of developing the market economy, we have firmly grasped the three links of production, circulation, and management, established and perfected a guaranteed system to control commodity prices, and guaranteed that Tianjin will always rank among China's large and medium-sized cities with fairly low prices. On the issue of renovating dangerous and shabby houses, we have proposed the practice of devoting five to seven years to renovating tracts of dangerous and dilapidated one-story houses in the city proper in line with the urban

overall development plan. Last year, we won victory in the first battle to allow 34,000 households to move into new houses by utilizing various channels such as attracting foreign capital and domestic capital and pooling funds from the masses. Thus, we have succeeded in improving the living conditions. In the work of supporting the poor people in the rural areas, we have formulated clear objectives, made the relevant departments in the urban areas support poor villages, and met the specific demand of shaking off poverty. Last year the average per capital net income of the rural areas reached 1,956 yuan, showing a net increase of 363 yuan. We have formulated preferential policies to encourage urban enterprises running at half capacity or that are at a standstill, to carry out diversified undertakings, to switch to the manufacture of other products or to turn to other trades, opened various production avenues, and guaranteed the income of workers for their basic living expenses. We have also adopted various forms to give subsidies to workers who are having a hard time making ends meet and people who receive social welfare and never allow even one household to have difficulty making ends meet. We have exerted strenuous efforts to comprehensively improve public security and make Tianjin become one of the cities in China with the best public security situation.

Our municipal party committee and government have always regarded the hot issues and difficulties reflected by the masses as work priorities, relied on the masses, overcome difficulties, achieved noticeable results, created a fairly good working and living environment for the ordinary people, enabled the broad masses of people across the municipality to maintain an enthusiasm in making progress vigorously, and promoted the openness of policies and economic development.

3. We have done practical things for the people in an in-depth and sustained manner.

Tianjin has done 20 practical things for the urban and rural people every year and this practice has been upheld for 13 years. All districts and counties have also acted in line with the demands of the municipal party committee and government and defined the content of doing practical things in line with their local specific conditions. Serving the people and the masses has become one of the basic duties of the governments at all levels in Tianjin and the conscious actions of cadres at all levels. The practice of making government organs handle the affairs of the people and the people cheer them on has struck roots in the hearts of the people in Tianjin. We must act in line with the demands mentioned in Premier Li Peng's report and carry forward the fine tradition of doing practical things for the people.

Northeast Region

Jilin Province Holds Rural Work Conference

SK2404042095 Changchun JILIN RIBAO in Chinese
16 Mar 95 p 1

[By reporter Xie Xizhong (6043 6007 0022): "Jilin Province Holds Rural Work Conference"]

[FBIS Translated Text] On 15 March in Changchun, the provincial party committee and government held the provincial rural work conference to mainly discuss the issues of comprehensively implementing the guidelines of the central rural work conference; of further implementing the central policy decisions on strengthening agriculture and rural work; of deeply mobilizing the people from higher levels downward to clearly understand the new situation; of defining new tasks; of adopting new countermeasures; of comprehensively grasping the rural work; and of elevating the rural economy to new heights.

Different from the previous annual rural work conferences, this rural work conference will be held in two stages. This televised conference is the first stage. After the conference, all cities (autonomous prefecture) will immediately organize discussions. The second stage of the conference will be held in late March when leading comrades of the provincial party committee and government will listen to the reports by responsible comrades of the rural work office of the provincial party committee on the discussion situation of cities, the autonomous prefecture, and provincial-level departments concerned as well as their opinions on implementing rural work arrangements. Leading comrades of the provincial party committee and government will make speeches.

Present at the televised conference were some provincial leaders including Wang Jinshan, Liu Xilin, Su Rong, Feng Ximing, Xu Zhongtian, and Sang Fengwen.

Vice Governor Sang Fengwen presided over the conference. On behalf of the provincial party committee and government, Wang Jinshan, deputy secretary of the provincial party committee, made a report. He emphatically set forth three issues.

1. Clearly understand the situation, grasp hard-gained favorable opportunities, and make concerted efforts to begin an upsurge in developing the rural economy.

He pointed out: The province's overall rural situation is extremely gratifying. The party's basic policies toward rural areas enjoy immense popular support. The peasants' production enthusiasm has been noticeably increased. Larger strides have been made in readjusting the industrial structure. An overall rural development situation has emerged. The dynamics of reform and opening up to the outside world have ceaselessly been expanded. The rhythm of marketizing the rural economy has noticeably been accelerated. The rural economy further embarks on the orbit of relying on science and technology to raise economic results. Changes have taken place in the situation that the peasants' per capita income extricated itself from protracted stagnation for several years. The peasants' per capita income came to 1,272 yuan, up 44.8 percent.

2. Define tasks, stress key points, and unswervingly constitute a new pattern for coordinately developing the rural economy.

Through preliminary study, the provincial party committee and government decided that in the next three years, the province should strive to fulfill six fighting tasks as follows: Fulfill the task for increasing 5 billion kilograms of grain, a target for the 1990's. The total grain output should steadily total 20 billion kg. The output value of animal husbandry should total 10 billion yuan, an annual progressive increase of 11.6 percent. The output value of the diversified economy should total 10 billion yuan, an annual progressive increase of 20 percent. Profits and taxes realized by town and township enterprises should total 10 billion yuan, an annual progressive increase of 21 percent. Some 1 million surplus rural laborers should be transferred from farm work, thus further optimizing the employment structure. The peasants' per capita net income should increase by more than 100 yuan annually and should basically attain the well-to-do target.

According to the requirements set forth by the new situation and new tasks, the ideologies for guiding rural economic development in the next three years are as follows: We should take the overall situation into account according to the goal of becoming fairly well-off, and persistently take the path of industrialization. We should prominently grasp the setup of the cropping-breeding-processing, production-supply-marketing, agriculture-industry-commerce, and agriculture-science-education integrated production and management system; promote the readjustment of the rural industrial structure; promote the intensive development of agricultural resources; promote the acceleration of the transfer of surplus laborers; and promote the development of the rural export-oriented economy so as to speed up the pace of making the province and the people wealthy. In short, this can be called the "one-grasping and four-promoting" strategy.

In line with the "six fighting tasks" and "one-grasping and four-promoting" guiding ideology, Wang Jinshan set forth six strategic priorities as follows:

First, tap potential for increasing grain production from all spheres, particularly a group of counties with great potential for increasing grain production, so as to ensure the fulfillment of the task for increasing 5 billion kilograms of grain. Counties with bases for production of commodity grain should further grasp the construction of auxiliary service projects and develop a large area of high- and stable-yield farmland. Western areas with more low and middle-yield farmland should put grain production in a prominent position and should strive to increase the overall production capacity. Second, accelerate the pace of developing animal husbandry, create a group of counties where animal husbandry develops on a large-scale and with high management levels, and gradually step toward the target of becoming a large livestock production province. Third, positively develop a diversified economy, create a group of counties with higher household incomes, and ceaselessly widen the channels for increasing the peasants' income and making the

peasants wealthy. Fourth, vigorously develop town and township enterprises; build a group of high-quality key counties and districts; and promote town and township enterprises to a stage of faster, more sound, and high-efficiency development. Fifth, take the development of small industrial and trade zones as a basic point, create a group of star towns and townships that develop ahead of others and create powerful economic strength, and vigorously promote the construction of small towns. Sixth, we should accelerate the development of the cropping-breeding-processing, production-supply-marketing, agriculture-industry-commerce, and agriculture-science-education integrated economy; should prominently grasp a group of leading enterprises with powerful functions for guiding the development of the household-based economy; and should accelerate the pace of industrializing the rural economy.

3. Adopt new measures, expand work dynamics, and try every possible means to make new breakthroughs in agricultural and rural work.

Comrade Wang Jinshan stressed: According to the requirements of the new situation and new tasks, we should strive to stand higher and to see farther, and should adopt solid and tangible measures in doing our practical work.

We should set our sights on accelerating the pace of marketizing the rural economy, and should ceaselessly deepen rural reform. We should further perfect the system of linking centralized management with decentralized management, conscientiously implement the central policies on lengthening contracted land utilization periods, and protect and mobilize the peasants' production enthusiasm. We should continue to supervise and manage the work of reducing the peasants' burdens, consolidate the existing achievements, and avoid reoccurrences of the phenomenon of increasing the peasants' burdens.

We should pay attention to bringing into play the peasants' role as the mainstay of self-input and should open various channels to increase the input in agriculture. The peasants should be guided to be industrious and thrifty in running their homes, and to put the consumption funds they have saved as well as the increasingly more idle funds into production spheres. The increase in agricultural input by financial departments at various levels should be higher than the revenue increase. We should deeply launch the campaign of relying on science and education to rejuvenate agriculture, with the focus on increasing the peasants' income. We should continue to launch the campaign of wiping out the rural illiterate and popularizing science in the rural areas; we should issue, in a well-planned manner, certificates of technological qualification and certificates of in-service training to peasants.

We should pay attention to reserve strength for agricultural development and exert great efforts to improve

production conditions. We should appropriately concentrate manpower and financial resources to develop a number of new and auxiliary farmland water conservancy projects and to upgrade the flood-and drought-combating capability. We should further expand measures to comprehensively develop the Songliao Plain with the focus on transforming low- and middle-yield farmland. We should pay high attention to the development of agricultural mechanization, continue to carry out the "532" policy on supporting the renewal and transformation of large and medium tractors, and mobilize the peasants' enthusiasm for keeping and using farm machines.

We should persistently grasp the construction of grass-roots organizations to promote the simultaneous development of the spiritual and material civilizations. We should pay prominent attention to the construction of village party branches, consolidate backward party branches in groups and by stages, and pay particular attention to accurately electing good secretaries.

Liaoning's Shenyang Upgrades Automobile Industry

OW2204053095 Beijing XINHUA in English 0234
GMT 22 Apr 95

[FBIS Transcribed Text] Shenyang, April 22 (XINHUA)—This capital of Liaoning Province, one of the country's key heavy industrial bases in northeast China, is using 121 million U.S. dollars loaned by the World Bank to upgrade its automobile industry.

According to Yao Junxi, president and general manager of the Shenyang Machine Tool Company Ltd., this represents the largest industrial project being transformed with foreign loans which will be used in importing 831 pieces of key equipment and testing means, and purchasing 598 sets of domestically-produced machines and instruments.

While transforming automobile industry, Yao noted that his company is working in cooperation with manufacturers in Japan, Germany and the United States to produce advanced computerized lathes.

Founded in April 1993, the company has been listed as one of the 100 enterprises piloting in the modern enterprise system.

The company has pledged to conduct further reforms in a bid to turn itself into one of the world's famous companies in the next century.

According to plan, the company is expected to produce 3,600 digital-control machine tools, accounting for 15 percent to 20 percent of the country's total, by the year 2000.

Northwest Region

Qinghai Reports on First-Quarter Performance

HK2404062295 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 17 Apr 95

[FBIS Translated Excerpt] Our province's national economy continued to maintain a good momentum of development in the first quarter of this year. It is estimated that in the first quarter, our province's GDP reached 2.27 billion yuan, up 5.3 percent over the same period of last year per comparable prices.

This reporter learned at the news briefing called by the provincial statistics bureau on 17 April that since last winter and this spring, our province has conscientiously implemented the guidelines laid by the national economic work meeting and the national rural work meeting; party committees and governments at all levels have attached great importance to the rural work and the development of agricultural production; leaders at all levels have vigorously gone to the grass roots to conduct surveys, to give publicity to and bring into effect party policies, to guide rural work, and to promptly solve problems in agricultural production, thus further arousing the enthusiasm of vast numbers of cadres and workers for increasing production.

Agricultural production continues to turn for the better. At present, spring plowing is making rapid progress and is of high quality, and 7.8 million mu of main crops have been sown, up 300,000 mu over the same period of last year. [passage omitted]

In the first quarter of this year, our province's industrial production developed in a steady manner. According to statistics, industrial enterprises at and above the township level throughout the province realized 1.6 billion yuan of gross industrial output value, up 6.5 percent over the same period of last year. Overall, heavy industrial production has been slowed down, whereas light industrial production has been accelerated, thus succeeding in readjusting the industrial structure.

Collectively-owned industrial enterprises have achieved faster production growth. From last January to March, collectively-owned industrial enterprises throughout the province realized 200 million yuan of industrial output value, up 5.4 percent over the average for the whole province. Large and medium-sized industrial enterprises continued to play a leading role and their gross industrial output value accounted for 73.9 percent of that of the whole province, up 0.8 percent over the same period of last year. [passage omitted]

From last January to March, provincewide fixed-assets investment grew and 100 million yuan of investment was completed, up 28.28 percent over the same period of last year. Moreover, the consumables market was still in a state of steady operation.

In the first quarter, our province's foreign trade exports grew faster and a total export-import turnover valued at 38 million yuan was realized, up 17.3 percent over the same period of last year. [passage omitted]

Private Economy Said Flourishing in Shaanxi

OW2204083395 Beijing XINHUA in English 0820 GMT 22 Apr 95

[FBIS Transcribed Text] Xian, April 22 (XINHUA)—The private economy has been developing rapidly over the past years in Hanzhong Prefecture of northwest China's Shaanxi Province.

According to local officials, the prefecture has approved the establishment of more than 400 private businesses, and 80,000 industrial and commercial business households, with 180,000 employees.

The rapid development of the private economy has not only created more job opportunities, but also added more tax payment to local finance.

Statistics show that private businessmen and self-employed people in the prefecture have turned in 260 million yuan in taxes to the State since 1979.

The officials attributed the promising prospects in private economy to the encouragement of local governments at various levels in Hanzhong Prefecture.

XINJIANG RIBAO 9 April Edition Covers Meetings

Chairman Views Corruption

OW2204092495 Urumqi XINJIANG RIBAO in Chinese 9 Apr 95 p 1

[Report by reporter Chen Yan (7115 4291): "Regional People's Government's Eighth Plenary Session Calls For Perseverance in Combating Corruption; Abdulahat Abdurixit Makes an Important Speech"]

[FBIS Translated Text] Urumqi—The regional people's government held its eighth plenary session on 8 April to remobilize the region's government departments to fight corruption and set forth assignments in this regard. The meeting noted that it was necessary to combat fear, negative feelings, and perfunctoriness, and consider the fight against corruption as a protracted mission that should be carried out with perseverance.

During the meeting, persons in charge of the regional supervisory, public security, communications, and agricultural departments and education commission reviewed their recent fight against corruption and presented views on improving future operations.

Giving out assignments on fighting corruption and halting irregularities in various sectors, regional Chairman Abdulahat Abdurixit said: We should consider the fight against corruption as an important task

that has a close bearing on the survival of the party and state, and on the success or failure of reform, opening up, and the modernization drive. We should deal with the problems comprehensively, taking care of the root causes as well as the symptoms. We should intensify our efforts to complete the handling of those cases concerning serious irregularities reported by the masses, especially those cases involving cadres in leading positions. We should attach importance to dealing with the root causes by heightening cadres' ideological and political awareness, educating them on ideals and conviction, and especially on the need to serve the people wholeheartedly. We should establish or improve our code of conduct and mechanisms of supervision to regulate the conduct of government functionaries at all levels. We must exercise stronger leadership, promote administrative ethics and efficiency at the same time, establish close ties with the masses, be concerned with their plight, combat bureaucratism, and serve the people earnestly and sincerely.

In conclusion, Abdulahat Abdurixit said: Government organs at all levels must firmly correct and combat the unhealthy practice characterized by "no dinner, no service; after dinner, reckless service." The practice of indulging in lavish food, drink, and pleasure seeking must never be permitted to resurface. Those who disregard the prohibitions, and those who spend public funds on food and drink in a covert manner must be firmly punished. By no means should these people be treated leniently.

New Vice Chairman Profiled

OW2104145195 Urumqi XINJIANG RIBAO in Chinese
9 Apr 95 p 1

[By reporter Yan Fengli (2518 7685 0448): "Xinjiang Autonomous Regional People's Congress Standing Committee Appoints Zhang Yunchuan as Vice Chairman of the Autonomous Region"]

[FBIS Translated Text] On 8 April, the 14th meeting of the Eighth Xinjiang Autonomous Regional People's Congress Standing Committee decided to appoint Comrade Zhang Yunchuan [1728 0061 1557] vice chairman of the autonomous region.

Comrade Zhang Yunchuan, born in October 1946 in Zhejiang's Dongyang, is currently a Standing Committee member of the autonomous regional party committee and has a college education. After joining the government in August 1964, he was admitted to the party in April 1973. From 1964 to 1970, he studied motor ships at the Harbin Military Engineering Academy. From 1970 to 1983, he worked as a technician, deputy section head, and section head at the No. 6214 Plant of the Sixth Ministry of Machine-Building. From 1983 to 1985, he served as the plant's production commander and party committee member. From 1985 to 1986, he assumed the posts of Jiujiang City party committee standing committee member and Jiangxi City vice mayor. From 1986 to 1991, he was the Ganzhou Prefectural party committee deputy secretary and Jiangxi prefectural commissioner. From 1991 to 1993, he was appointed assistant to the Jiangxi provincial governor, party group member of the provincial government, and party group secretary of the provincial economic and planning commission. From February 1993 to February 1995, he served as Jiangxi vice governor.

After he was appointed autonomous regional vice chairman, Comrade Zhang Yunchuan pledged to actively support Chairman Abdulahat Abdurixit in work, to earnestly carry out his duties, go deep into the grass roots to mingle with the masses, and, together with the people of all nationalities in the autonomous region, strive to contribute to Xinjiang's economic development.

ARATS Vice Chairman on Protecting Taiwan Investment*OW2104145595 Beijing China Radio International in Mandarin to Asia 0900 GMT 20 Apr 95*

[From the "Report on Current Events" program]

[FBIS Translated Text] On the afternoon of 19 April, Tang Shubei, vice chairman of the Association for Relations Across the Taiwan Strait (ARATS) who is attending the 1995 Shandong-Taiwan Economics and Trade Fair in Weifang, Shandong, answered some questions raised by Taiwan businessmen. He said: Under all circumstances, we will protect Taiwanese compatriots' investment interests on the mainland.

Tang Shubei made the remarks when answering a question on the motherland changing its policy of protecting Taiwan businessmen's mainland investments if someone advocating Taiwan independence is elected [president] in next year's general election.

Tang Shubei said: I think most Taiwanese compatriots do not favor Taiwan independence. Taiwanese who advocate independence will not receive support from the broad masses of Taiwanese compatriots.

Tang Shubei attended a discussion meeting with some Taiwanese businessmen who participated in the trade fair on the afternoon of 19 April. He sincerely answered the Taiwan businessmen's questions on protecting their investments. Tang Shubei said: We can fully understand the reason for Taiwan compatriots' concern over the problem. Concerning the matter of signing an agreement between the two sides of the strait on protecting private enterprise investments, General Secretary Jiang Zemin, of the CPC Central Committee, recently said the agreement should be signed on mutually beneficial basis. In this respect, ARATS has contacted the Strait Exchange Foundation (SEF) and drafted and forwarded a related document to the SEF. He said: Concerning the contents of the investment protection agreement, the State Council Taiwan Affairs Office recently sent letters to various provinces, municipalities, and autonomous regions to solicit opinions from Taiwanese investors.

Tang Shubei expressed the hope that during the Wang-Gu [Ku] talks in the near future, the ARATS and SEF will sign an agreement on protecting private enterprise investment.

When answering questions raised by Taiwan businessmen on why the "three exchanges" [exchange of mail, air and shipping services, and trade] can be realized between the two sides of the strait, Tang Shubei said: My view is that conditions for realizing the "three exchanges" are maturing. He said: When the "three exchanges" can be realized will depend on the Taiwan

authorities' attitude. The obstacles to the realization of the "three exchanges" are not from our side, but rest with the Taiwan authorities. The Taiwan authorities may have various worries regarding the realization of the "three exchanges," including whether or not a lot of mainland people will enter following the opening of direct transportation between the two sides and it may create problems in Taiwan's employment and public security situations. Tang Shubei said: I think those problems can be solved easily. So long as both sides are sincere, these problems can be solved through negotiations.

Tang Shubei told the Taiwan businessmen at the meeting: Despite the fact that there were some twists and turns in the development of relations between the two sides of the strait last year, I am convinced that contacts and cooperation between the two sides are a general trend that cannot be stopped. Just as General Secretary Jiang Zemin, of the CPC Central Committee, has said, we should turn in the direction of the 21st century and strengthen exchanges and cooperation between the two sides of the strait.

Taiwan Investment in Heilongjiang Grows Fast*OW2404120095 Beijing XINHUA in English 1109 GMT 24 Apr 95*

[FBIS Transcribed Text] Harbin, April 24 (XINHUA)—Taiwan investment in Harbin, capital of China's north-eastern-most province, Heilongjiang, grew rapidly over the past three years and the city is planning to offer further preferential treatment for Taiwan-funded enterprises this year.

During the past three years, the number of Taiwan-funded enterprises in the city has been double-folded each year to reach a total of 272, which accounts for 17 percent of all the overseas-funded ventures in the city. The total investment of the Taiwan-funded enterprises reached 260 million U.S. dollars.

These Taiwan-funded ventures cover not only the catering and service trade, but also the sectors of building materials, electronics and chemical industry.

Taiwan businessmen started to invest in Harbin in 1988 and by 1991, the city had only 14 Taiwan-funded enterprises. Since 1992, the city government simplified procedures and offered various preferential policies for investors coming from Taiwan.

Officials with the city government said that further preferential treatment will be given this year to encourage Taiwanese investors to take part in technological transformation of big and medium-sized state-owned enterprises, development of agriculture and power industry, construction of basic transport facilities, and development of the industry of basic raw materials.

SEF Urges Mainland Attention To Investors' Safety

OW2104135295 Taipei CHUNG-YANG JIH-PAO in Chinese 18 Apr 95 p 4

[FBIS Translated Text] On 17 April, Shih Chi-ping, Strait Exchange Foundation [SEF] deputy secretary-general, said: The Taiwan-Funded Enterprise Association in Kuangtung's [Guangdong] Tungwan [Dongwan] recently sought the SEF's help, saying the several major criminal cases that have occurred in the city since the beginning of this year have seriously hurt the lives and property of Taiwan investors. Therefore, the SEF asked the Association for Relations Across the Taiwan Straits [ARATS] to coordinate with relevant units to investigate and handle this issue, so as to ensure Taiwan investors' safety.

Shih Chi-ping said: The Taiwan-Funded Enterprise Association in Kuangtung's Tungwan has written to the SEF, saying that several vicious criminal cases, whose targets were Taiwan investors, recently occurred in the city. The victims not only suffered economic losses, but, what was worse, suffered physical and mental damage. Although Local public security organs have investigated these cases, up to now, none of them have been cleared up. The association hoped that SEF could contact ARATS, asking the mainland to adopt effective measures to guarantee the safety of Taiwan investors' lives and properties, to solve these cases soon, to arrest criminals, to crack down on crimes, and to create a stable investment environment for Taiwan investors.

According to the association, several unsolved criminal cases include: 1) Licheng Industrial Company losing 180,000 renminbi in a burglary; 2) Chishun Corporation president and his wife being tied up and robbed of some 50,000 renminbi; 3) Yingchang Paper Products Company being burglarized of some 60,000 renminbi; 4) Kuchang Electric Appliances Company being robbed of about 90,000 renminbi and such goods as watches, mobile phones, and walkie-talkies. Its manager and guard were tied up and the former was injured by the attacker; and 5) Hsitung Plastics and Electric Appliances Plant was robbed of 60,000 renminbi and such goods as mobile phones, karaok players, VCR's, and watches, and its Taiwan workers and guard were tied up.

Supports Direct Mainland Air Links

OW2104135895 Taipei CHUNG-KUO SHIH-PAO in Chinese 19 Apr 95 p 4

[FBIS Translated Text] On 18 April, Chiao Jen-ho, Strait Exchange Foundation [SEF] vice chairman, said: No direct transport links between the two sides across the Straits are the biggest barrier in promoting cross-Straits exchanges and interaction. It is just a matter of time before the two sides establish direct transport links. However, our security and dignity take precedence over any kinds of direct transport links.

During the "1995 Civil Aviation and Transportation Seminar," which opened on 18 April, Chiao Jen-ho pointed out: Direct transport links are of great significance to travelers and businessmen. I have realized that no direct transport links are the biggest barrier in promoting cross-Straits exchanges. The SEF also intends to resolve technical issues in establishing direct transport links through other channels.

Chiao Jen-ho said: We should take a down-to-earth attitude toward the technical issues. Before the SEF and the Association for Relations Across the Taiwan Straits [ARATS] hold discussion on new topics, it will help improve the progress of talks between SEF and ARATS and break a deadlock in negotiations, if we invite experts, scholars, or even relevant government officials to attend seminars, organized by nongovernmental organizations, to objectively discuss orientation, contents, and targets of related topics.

During the meeting, Chiao Jen-ho also said to the mainland Chinese civil aviation officials, who took part in the meeting in a private capacity, that although it was just a matter of time for the two sides to establish direct transport links, public opinion was a great influence on direct transport links.

SEF Official Urges Mainland Review Unification Formula

OW2204024595 Taipei CNA in English 0143 GMT 22 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 21 (CNA)—A former ranking government official told a group of Chinese Mainland scholars here on Friday [21 April] that Beijing should thoroughly review the "one country, two system" formula it has drafted for the unification of China.

"Beijing has repeatedly stressed that Hong Kong will be allowed to keep its present system for another 50 years after it reverts to mainland Chinese rule in 1997. But why do the people in Hong Kong regard the year 1997 as "doomsday" if Beijing's pledge of maintaining two systems under a government is really feasible?" Asked Chiao Jen-ho, former deputy secretary-general to the president.

Chiao, now vice chairman of the Straits Exchange Foundation (SEF), presented his views during a meeting with a group of Chinese Mainland political science scholars staying in the United States. The SEF is a semi-official intermediary body formed to handle private exchanges with the mainland in the absence of official contacts between the two sides.

Chiao told his guests that, while Taiwan is also agreed to "the one China policy," it will in no way accept Beijing's view that the one China is the People's Republic of China [ROC].

"Thus, how to create a system that may be accepted by the Chinese on both sides of the Taiwan Strait will emerge as a challenge to Beijing," Chiao said. "Even Taiwan had been ruled under a 'near authoritarian' political system for a long time before developing the present democracy," he pointed out.

Like Taiwan, he said, the mainland should stop resisting peaceful changes. "It is not necessary to be afraid of peaceful changes. The longer a country resists the global democratization trend, the stronger the pressure it may eventually face," Chiao warned.

He also asked his guests not to harbor any perceptions that the unification of Taiwan and the mainland could be swiftly achieved, saying the uphill task can only be finished through long-term exchanges.

Chiao also lashed out at Beijing for its ceaseless efforts to isolate Taiwan in the international community. "That has posed the biggest barrier on the way to the improvement of cross-strait ties."

Reportage on Malawi President Muluzi's Visit

Signs Communiqué on Ties

OW2204103295 Taipei CNA in English 0910 GMT 22 Apr 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, April 22 (CNA)—President Li Teng-hui and Malawi President Bakili Muluzi signed a joint communiqué in Taipei Saturday reaffirming their commitment to strengthening cooperation between the two countries and to promoting peace and prosperity in Asia, Africa and the whole world.

The communiqué said Li and Muluzi have discussed Asian and African regional issues and exchanged views on the general international situation and other matters of mutual concern in a sincere, friendly atmosphere during Muluzi's four-day visit here.

"The two agree that all countries around the world should renounce the use of force against each other and resolve international disputes by peaceful means based on the principles of equality and reciprocity," the communiqué said.

Muluzi reaffirmed in the communiqué Malawi's firm support for the Republic of China's [ROC] bid to join major international organizations, saying he believes that the ROC will contribute much to world peace and economic development in developing countries if it is admitted to the United Nations.

Muluzi also expressed his admiration for the ROC's progress in political reforms and economic development in the past few years as well as his gratitude for all the assistance the ROC has extended to his country in agriculture, transportation, education and other fields.

The communiqué further said both Li and Muluzi are satisfied with existing cooperative ties between the ROC and Malawi, and pledge to make continued efforts to boost common interests of the two countries.

Earlier in the day, Muluzi bid farewell to Li, expressing his appreciation for the hospitality extended to him by the ROC government and people during his stay in Taipei. Muluzi also invited Li to visit his country, and Li accepted the invitation.

While here, Muluzi has met with senior ROC officials to discuss possible cooperative projects and visited major economic and cultural establishments around the island. He told Li that his Taipei visit was delightful and fruitful.

The ROC and Malawi established diplomatic ties in 1966 and have since maintained close relations. The ROC has long stationed an agricultural technical mission in Malawi to help the southeastern African country develop agriculture which is the backbone of the Malawi economy.

ROC-Malawi commercial exchanges have, however, remained limited because of geographic distance. Two-way trade totaled less than US\$30,000 last year.

To boost bilateral trade and economic ties, Muluzi attended a trade and investment seminar held at the Economic Affairs Ministry Saturday to introduce Malawi's investment climate and regulations to some 70 Taiwan entrepreneurs.

Noting that Malawi has enacted regulations offering tax and other incentives for foreign investors, Muluzi said, Taiwan companies are welcome to invest in agricultural processing, cement, textile, garment, furniture, sugar and tobacco industries in Malawi.

With cheap labor and a stable political and economic situation, Malawi is a good investment destination for Taiwan manufacturers, Muluzi said.

Accompanied by his wife and several senior Malawi officials, Muluzi arrived in Taipei Wednesday for a state visit. He and his entourage were originally scheduled to leave Taipei Sunday. The unexpected death on Thursday of Malawi Army Commander Gen. Manken Chigawa prompted Muluzi to decide to depart a day ahead of schedule.

Muluzi will give a news conference prior to his departure Saturday evening.

Muluzi To Depart Early

OW2204024695 Taipei CNA in English 0113 GMT 22 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 21 (CNA)—The death on Thursday [20 April] of Malawi Army commander Gen. Manken Chigawa has prompted visiting

Malawi President Bakili Muluzi to change his plans and leave a day ahead of schedule, an official at the Ministry of Foreign Affairs said Friday.

Muluzi, who arrived here Wednesday, was originally scheduled to visit the National Palace Museum Sunday morning before departing, the official said.

Under the revised itinerary, Muluzi and his wife will bid farewell to President Li Teng-hui and sign a joint communique Saturday morning. Muluzi will then call on the Ministry of Economic Affairs and also meet with Foreign Affairs Minister Chien Fu before holding a press conference, the official said.

Chigawa, according to foreign wire-service reports, was shot to death by thieves attempting to steal his car.

On Friday, Muluzi and his entourage visited a dam and a vegetable research center in the southern Taiwan county of Tainan. The trip also took them to a food processing factory owned by President Enterprises, Taiwan's leading food manufacturer.

Beckons Taiwan Investors

OW2404032695 Taipei CNA in English 0144 GMT 24 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 22 (CNA)—Malawi President Bakili Muluzi said Saturday [22 April] that Malawi is a staunch supporter of the Republic of China [ROC] and that he welcomes ROC enterprises to invest in his country.

Bakili also expressed hope that bilateral trade and economic ties can be strengthened. He made the remarks at a press conference before leaving for Malawi.

Bakili touted the development and progress in Taiwan, saying that Taiwan's voice should be heard in international forums such as the United Nations.

He also said that Taiwan businesses are especially welcome to invest in his country's textile, mining, hydropower, energy and communications industries.

He said Malawi would provide incentives to Taiwan businessmen in the form of loans, tax breaks, and land acquisition. Given Africa's vast market and his position as the chairman of the East and South Africa Common Market, Bakili said Taiwan businesses would be favorably positioned to do business in his country.

While here, Bakili met with senior ROC officials to discuss possible cooperation projects and visited major economic and cultural establishments around the island.

Earlier in the day, President Li Teng-hui and Bakili signed a joint communique reaffirming their commitment to strengthening cooperation between the two countries and to promoting peace and prosperity in Asia, Africa and the whole world.

The ROC and Malawi established diplomatic ties in 1966 and have since maintained close relations. The ROC has long stationed an agricultural technical mission in Malawi to help the southeastern African nation.

ROC-Malawi commercial exchanges have, however, remained limited because of geographic distance.

Bakili is the second African leader to visit the ROC this year after the president of Guinea-Bissau Joao Bernardo Vieira.

President Li Teng-hui, Premier Lien Chan, presidential Secretary-General Wu Poh-hsiung and Foreign Affairs Minister Chien Fu saw Bakili off at CKS [Chaing Kai-shek] International Airport.

Accompanied by his wife and several senior Malawi officials, Bakili arrived in Taipei on Wednesday. He and his entourage were originally scheduled to leave Taipei on Sunday, but the unexpected death on Thursday of Malawi Army Commander Gen. Manken Chigawa prompted Bakili to decide to depart a day ahead of schedule.

Labor Council Views Suspension of Thai Worker Permits

OW2204104595 Taipei CNA in English 0932 GMT 22 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April (CNA)—Republic of China [ROC] officials are concerned about a recent decision by the Thai Government to halt the issue of permits for Thai workers to seek jobs in Taiwan.

"The Council of Labor Affairs (CLA) hopes the Thai Government will not take any abrupt action that may catch Thai worker applicants unprepared," CLA Secretary-General Kuo Fang-yu said when asked to comment on the unexpected move.

But he stressed that since Thailand is not the sole nation supplying foreign laborers to Taiwan, the move is not expected to have a great impact on the local labor market.

Thai Vice Labor Affairs and Social Welfare Minister Yuth Angkinan said Friday that his ministry will stop accepting applications by Thai workers seeking permission to work in Taiwan. The measure was taken after the Thai Government failed to reach agreement with Thailand's labor brokers over brokerage fees.

Thai law limits brokerage fees to no more than US\$1,800 for each Thai worker applying to work in Taiwan. However, many brokers demand up to US\$4,000.

Some Thai Government officials blamed the unreasonably high brokerage fees on a unilateral increase in prices and requirements by Taiwan brokers, thus forcing Thai brokers to increase their fees.

Kuo insisted, however, that the Thai side needs to take greater responsibility for the excessively high fees, as

Thai workers are required to pay brokerage fees in full before traveling to Taiwan.

"Fairly speaking, in this case the ROC Government can hardly act to tackle the issue," Kuo pointed out.

In fact, he added, the CLA has asked the Thai Government to streamline its management of labor brokers on three occasions, but to no avail.

For Taiwan's part, he said, the CLA has pushed amendments to the employment services act. Under the amendments, which are pending the approval of the Legislative Yuan, foreign labor brokers may have their licenses suspended for three years if found to be violating the fee requirement. Local brokers face license revocation or a one-year suspension of operations if found to be violating the fee regulations.

Hong Kong

Qian Urges Civil Servants To Stay in SAR

HK2104141095 Beijing ZHONGGUO XINWEN SHE
in English 1405 GMT 20 Apr 95

[FBIS Transcribed Text] New York, April 20 (CNS)—Qian Qichen, Vice-Premier and Foreign Minister of China, hopes that most of the present civil servants in Hong Kong will stay to serve in Hong Kong Special Administrative Region government.

Qian Qichen said that in respect of the civil servants in Hong Kong, the general policy of China is to maintain stability. According to the regulations, high-ranking civil servants have to be nominated by the Chief Executive of Hong Kong Special Administrative Region [SAR] and appointed by the central government for remaining in office. Other government officials can retain their posts.

In mentioning the elections in Hong Kong, Qian Qichen said that some regulations in the elections have not been with the consultation of China, so the setups created from such elections can only remain till 1st July, 1997. However, this does not mean that the Chinese side does not support the Hong Kong citizens' participation in elections. But the fact that these setups cannot exist after 1st July, 1997 cannot be changed.

At the press conference today, Qian also discussed the obstacles between China and Britain on the question of Hong Kong. He said that the main obstacle is that the British side wants to do everything and even arrange things after 1997, which goes beyond her range of authority. Before 1st July, 1997, Britain administers Hong Kong; China has no objection. Important affairs extending beyond this time limit, however, should be discussed with the Chinese side. If everything is arranged by one side and then executed by the future Hong Kong Special Administrative Region government, or the future government would be limited by these arrangements. [sentence as received] This is not right. The administration of Britain cannot go too far.

In respect of Taiwan, Qian reasserted the view of Jiang Zemin, president of China in his speech before the Chinese New Year, that is, to insist on "one China" and oppose "two Chinas". He said that in view of the two situations, "Taiwan Independence" and the interference from foreign countries on the question of Taiwan, China does not promise not to resort to forces towards Taiwan.

As for the meeting of the leaders from the mainland and Taiwan, he said that whatever the problems discussed, the time and place can be discussed by both parties. However, this meeting should not have the aid of any foreign or international occasion because this is the business between Chinese people.

He also said that after 1997, some Taiwanese organizations in Hong Kong can still exist, as long as they do not

violate the Basic Law in the Hong Kong Special Administrative Region by opposing the mainland and organizing activities for "two China".

Lu Ping on PWC Opinions About Nationals Issue

HK2304083695 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 23 Apr 95 p 2

[By Catherine Ng in Beijing]

[FBIS Transcribed Text] Senior Chinese official Lu Ping yesterday contradicted leading members of the Preliminary Working Committee's (PWC) legal sub-group over the crucial nationality issue.

In an unscheduled press briefing, Mr Lu said they were "not necessarily accurate" in their descriptions of who would be a Chinese national after 1997, and stressed the PWC had not meant to discuss the issue at all.

"It was not originally on the agenda," he said. "It was only certain members who put forward the issue for discussion. These opinions are not the PWC's opinions."

His comments came on the eve of tonight's arrival of local immigration chief Lawrence Leung Mir who is to brief the PWC on the related topic of the issuing of Special Administrative Region passports.

On Friday, PWC legal subgroup mainland convenor, Shao Tianren, said an initial discussion had reached agreement on who should qualify for Chinese nationality after 1997.

Mr Shao, the legal adviser to the Foreign Ministry and a former Basic Law drafter, said those who got their foreign nationalities by buying a passport would not be entitled to consular protection by the foreign power.

But Mr Lu said: "Some of the opinions are not necessarily accurate. They are individual opinions. I want to clarify the situation. The issue needs further and substantial discussion in the future."

But Mr Lu declined to answer follow-up questions on which opinions might have been "not necessarily accurate".

PWC members responded by blaming the press. Mr Shao insisted he had never suggested his remarks represented the opinion of the PWC.

"Some headlines may have made Hong Kong people think the PWC had already passed the resolution on the subject," he said.

Sub-group local convenor Simon Li Fook-sean refused to comment. "Whatever I say will be distorted," he said.

Another local member, Lau Hong-chuen, insisted he could not even remember whether the issue had been discussed.

Mr Shao suggested ethnic Chinese holding British Dependent Territories Citizens passports or born in

mainland China would be treated as Chinese nationals, as would those buying or given foreign passports, such as the beneficiaries of the British nationality scheme.

But non-ethnic Chinese, and ethnic Chinese who were born or settled overseas, as well as those who were stateless, would not be treated as Chinese nationals.

Also in Beijing yesterday, Hong Kong adviser to the Chinese Government on the Sino-British budgetary talks, Nellie Fong Wong Kut-man, sought to avoid allegations of a conflict of interest by offering to declare her personal interests, if required.

Mrs Fong, one of four local members appointed to advise the Chinese side, said: "I can make a declaration of interests because I do not have any vested interests and I am not doing any business myself"

'Roundup' Views Police Cooperation

OW2104143695 Beijing XINHUA in English 1418
GMT 21 Apr 95

[XINHUA "Roundup" by Zhang Qi: "HK, Mainland Police Strengthen Cooperation"]

[FBIS Transcribed Text] Hong Kong, April 21 (XINHUA)—Dozens of senior police officers from Hong Kong and Chinese mainland gathered together this afternoon at Huang Gang border check point in Shenzhen, a Chinese city bordering on Hong Kong.

Were they in a joint operation against cross-border crime? No, they moved up there to enjoy the fruit of their joint efforts in fighting such crime, which has reportedly been on a consistent rise over the past few years.

With their presence, a brief ceremony was held today at the check point, at which ten luxury cars stolen from Hong Kong were returned by the Guangdong Provincial Public Security Bureau.

The ceremony coincided with the conclusion of an 11-day visit to Chinese mainland by the Hong Kong Commissioner of Police, Eddie Hui Ki-on.

"I would say the ceremony is a deliberate arrangement rather than a coincidence," said a police officer attending the event.

It symbolized the effective cooperation between the police on the two sides over the last couple of years, the officer said.

Since 1991, a total of 82 vehicles stolen from Hong Kong have been returned by the Chinese side and a number of syndicates involving in cross-border car smuggling have been smashed due to the joint efforts by the police on the two sides.

Hui also participated in today's hand-over ceremony on behalf of the Hong Kong police. Speaking to the media

after his visit to Chinese mainland, the jubilant Hui said that the visit was "fruitful and successful".

Hui met and held discussions with a number of senior Chinese police officers including head of Interpol China Bureau Zhu Entao and Chinese Public Security Vice-Minister Bai Jingfu during his official tour of Chinese mainland.

"Both sides expressed satisfaction with the cooperation developed in the past," said Hui, adding that the two sides had agreed to further strengthen their cooperation in the exchange of intelligence on drugs, illegal firearms, commercial fraud, etc.

He disclosed that an Interpol Liaison Sub-office will be established in Zhuhai, a city in China's southern province of Guangdong, which is adjacent to Hong Kong.

Both sides will install the Interpol X-400 Electronic Mailing System in August this year to improve efficiency and speed up communications, he said.

He also disclosed that a series of seminars involving the participation of police representatives from both sides on narcotics and commercial crime would be held later this year in Kunming, capital city of southwest China province of Yunnan.

Earlier this month, a Hong Kong man wanted by the local police was returned to Hong Kong by the Chinese side after he fled to lie low on Chinese mainland following an armed robbery of millions of US dollars near Hong Kong's Kai Tak Airport years ago.

This brought to half a dozen of criminals returned by the Chinese side this year.

There are signs that triads in Hong Kong have stepped up their penetration into Chinese mainland. Cross-border organized crimes such as car smuggling, drug trafficking and prostitution have been frequently reported here these days.

In the run-up to 1997 when China will resume its sovereignty over Hong Kong, police officers between Hong Kong and Chinese mainland have spearheaded their exchange and cooperation and this will certainly be conducive to the smooth transfer of power and stability in Hong Kong, said local analysts.

Police Commissioner on Resignations, Smugglers

HK2204084495 Hong Kong EASTERN EXPRESS in
English 22 Apr 95 p 4

[By Marnie O'Neill]

[FBIS Transcribed Text] The Police Commissioner, Eddie Hui, yesterday moved to diffuse "speculation" that top officers were leaving the force in droves in the run-up to 1997, but did not deny that further resignations were on the cards.

He confirmed that officers were unhappy at the prospect of having to swear a new police oath to their post-handover employers and admitted police had yet to decide how to handle the issue.

"One of the things I want to explain is that it is not an oath of allegiance, it is an oath of office," he said.

"Therefore when you have a new employer, you expect that the oath of office should be to the new employer.

"But as to the exact procedures, what we are going to do has yet to be worked out."

Officers are currently being interviewed as part of a manpower planning exercise.

Hui said all reports of a mass exodus should be treated as "pure speculation" until the results of the survey were ready, probably in July.

He was speaking at the end of a 10-day tour of China, where he met senior Public Security Bureau (PSB) officials in Beijing, Zhuhai, Shen-Zhen and Guangxi to discuss cross-border crime.

While the visit was widely seen as yet another public relations exercise, Hui did not return empty-handed.

Trailing the commissioner's vehicle was a caravan of 10 luxury cars stolen from Hong Kong, smuggled to China and finally handed back yesterday.

The four Mercedes Benz and six BMWs stolen between 1990 and last year, appeared dirty and damaged as they were driven through the Lok Ma Chau border control point.

Hui confirmed that the Guangdong PSB director, Chen Shaoji, had agreed to set up an Interpol liaison office in Zhuhai to reduce the chances of a repeat of the March 18 incursion into Hong Kong waters by armed Chinese forces and the row that ensued.

Zhuhai PSB officers apprehended two Hong Kong crewmen, seizing their tug and lighter and 47 cars on board but released the men last weekend, after the incident led to a diplomatic row between London and Beijing.

To their acute embarrassment, Hong Kong police were not informed that the pair had been released or where they would enter Hong Kong.

Hui said he raised the matter in Beijing and Guangdong.

"I understand there were criticisms that we were not informed of their release," Hui said.

"(Chen Shaoji) told me the reasons for not notifying us of their release...(were) because they were not criminals wanted by Hong Kong police.

"They decided to release them in Zhuhai and after their release they were free men ... (as such the men could

choose) whatever method they wished to use to come back to Hong Kong, and that is one of the reasons why we were not informed.

"Chen reiterated that it was their policy not to allow their officers to take any enforcement action in Hong Kong waters. They respect our territorial waters."

During his whistle-stop tour, Hui also discussed cross-border co-operation, smuggling, drugs, triads and commercial crime with a vice-minister of Beijing's Ministry of Public Security, Bai Jingfu.

They agreed to hold a joint seminar on narcotics in Kunming, Yunnan province, in July and another seminar in Guangdong at the end of the year, to study commercial crime.

During a visit to Guangxi province, Hui said he discussed ways to improve security along the Sino-Vietnamese border, one of the main transfer points for smugglers of guns, drugs and counterfeit goods.

"The land border between China and Vietnam in Guangxi is about 1,020 kilometres long and from my observations it is very difficult to control the border because there are no clear demarcations," Hui said.

Beijingers 'Concerned' About Return of Hong Kong

OW2304154595 Beijing XINHUA in English 1457
GMT 23 Apr 95

[FBIS Transcribed Text] Beijing, April 23 (XINHUA)—Li Songlin, together with his wife and daughter, came to the Tiananmen Square in central Beijing this Sunday morning to take pictures for his seven-year-old daughter to mark her birthday.

The daughter posed under a huge electronic clock which counts down to Hong Kong's return at the east side of the square.

The clock today shows that there are 800 days left for China to resume its exercise of sovereignty over Hong Kong in 1997. The father said that it was a special day both for his daughter Li Yu and the country.

"I hope my daughter would learn more about the country's history," said Li, who is a doctor at a Beijing hospital. "It would do her good to let her know the period of the nation's history during which it was humiliated."

Like Li, more and more people are taking pictures under the huge board of clock, which was set up last December. Owners of some photographers' booths near the board said they are doing a booming business.

A recent survey by the Opinion Research Center of People's University of China showed that more than half of Beijingers are concerned about the return of Hong Kong in 1997.

The survey also shows that 56.1 percent of those who answered the survey said that the issue of Hong Kong's return is among the 30 topics they are most interested in about China's development.

Over 80 percent of the surveyed said that they are optimistic about the smooth transfer of power and the long-term stability and prosperity of Hong Kong.

The return of Hong Kong seems like a dream that will come true for people like senior teacher Sun Weigang, who gives lessons at the Beijing No. 22 Middle School.

"My heart sank 40 years ago when I first learned the period of history of the Opium War at junior middle school," he said. "I never expected that Hong Kong will return to its motherland when I am just 60 years old in 1997."

Li Zhiwei, deputy manager of the Beijing Lam Soon Oil Co. Ltd., a Beijing-Hong Kong joint venture, thought that the return of Hong Kong would bring a bright future for his company.

He said that his company has benefited a lot from the management system imported from Hong Kong and he expects that after 1997 his company will enjoy more benefits from the economic relations that would grow closer between the mainland and Hong Kong.

People's enthusiasm about the return of Hong Kong may also be reflected from the number of visitors to a photo exhibition featuring some 200 photos to greet the return of Hong Kong.

Within a week, the exhibition at a museum beside the Tian'anmen Square, which was started from April 18, attracted more than 15,000 visitors. "It is a rare thing for a single exhibition in recent years," said a museum executive.

China's resumption of its exercise of sovereignty over Hong Kong also attracted attention of religious people including Michael Fu Tieshan, bishop of the Catholic Diocese of Beijing, who said he has "paid close attention" to the issue.

"I hope that I could visit religious groups in Hong Kong after 1997 and meet with brothers and sisters there," he said, adding that he hoped exchanges between religious groups will be enhanced on the basis of mutual respect, non-interference and non-subordination.

As the return date is coming near, Beijing media has increased coverage on Hong Kong affairs remarkably. The Beijing Evening News devotes a special page to news from Hong Kong, Macao and Taiwan, and the Beijing Television Station also presents a special program on Hong Kong.

'China Effects' Ensure Hong Kong Prosperity

OW2304154495 Beijing XINHUA in English 1525 GMT 23 Apr 95

[XINHUA "Commentary": "'China Effects' Ensure Hong Kong Prosperity"]

[FBIS Transcribed Text] Hong Kong, April 23 (XINHUA)—"China Effects" are becoming an increasingly positive role in promoting Hong Kong's prosperity and stability with the approaching of the year of 1997, a commentary of XINHUA NEWS AGENCY said here today.

To mark the 800th day from July 1, 1997 when China will resume its sovereignty over Hong Kong, the commentary stressed that "China Effects", the factors from China to ensure Hong Kong's rapid growth, are now becoming conspicuous in various aspects in Hong Kong's economic activities.

It said that over the past 16 years, the trade value between China's mainland and Hong Kong increased by 40 times from 2.3 billion US dollars to over 90 billion US dollars.

China's mainland has become the largest market and source for Hong Kong's re-export.

Hong Kong's manufacturing industry has shifted to China's inland provinces to take advantage of the labor and land resources there for the sake of enhancing competition capacity on international market.

According to the Hong Kong Trade Development Council, Hong Kong manufacturers have invested in over 110,000 factories in the mainland.

Meanwhile, enterprises with funds from the mainland have also seen a rapid growth in Hong Kong over the past few years. There are now over 1,000 of such enterprises in Hong Kong with total investment reaching 20 billion US dollars.

It noted that the economic cooperation between China's mainland and Hong Kong has expanded from the sectors of trade and industry to those of finance, real estate, transportation, retail and advertisement as well as science and technology, which has added to Hong Kong's economic growth momentum in recent years.

In addition, the commentary noted, the mainland is also the largest supplier for Hong Kong's daily necessities.

Over 98 percent of pigs and cows consumed in Hong Kong each year come from China's inland provinces.

The mainland annually supplies Hong Kong with more than 50,000 tons eggs, 60,000 tons of frozen pork, over 100,000 heads of chickens and ducks and huge amount of vegetables.

The supply has not only ensured Hong Kong people's daily necessity consumption, but also stabilized Hong Kong's market, it added.

Media Cover Discussions Over Appeals Court

Sub-Group Discusses Formation

HK2104144595 Beijing ZHONGGUO XINWEN SHE in English 1405 GMT 20 Apr 95

[FBIS Transcribed Text] Beijing, April 20 (CNS)—The Political Sub-Group under the Preliminary Working

Committee [PWC] held the meeting yesterday and today, mainly discussing formation of the judiciary of the Hong Kong Special Administrative Region (SAR), particularly the Court of Final Appeal (CFA).

Members of the group pointed out it should be a post-1997 matter that Hong Kong enjoyed a final adjudication, by that time the Chinese government would vest HK SAR to establish CFA. In view of producing condition for HK SAR to form CFA, the Chinese side agreed to negotiate with the British side on the issue of setting up CFA by the British side prior to 1997. In September of 1991, the Sino-British Joint Liaison Group reached an agreement on the proportion of permanent judges to non-permanent judges of CFA, both sides agreed that CFA should have four permanent judges. When hearing the case, the tribunal should be composed of five judges, four of them were permanent judges and the rest should be chosen by the Chief Justice of the CFA from HK's nonpermanent judges and overseas non-permanent judges. Both sides also agreed that at every stage in setting up CFA, including enactment of draft CFA regulations, full negotiations between both sides were needed, and the British side expressed it would not take one-sided approach before consensus was reached.

However, the British side had not delivered the first draft CFA regulations till two years and eight months later. Therefore, the British side should be held for responsibility for the delay and unfruitful negotiations on the issue of CFA. Now the British side wants to go back on its promise of not taking unilateral approach before consensus between the both sides was reached, which broke the 1991 agreement.

Members maintained the agreement reached in 1991 must be executed. Other relevant issues which failed to reach agreement then should be fully discussed on the basis of the Basic Law in order to achieve a consensus and to establish CFA at a appropriate time prior to 1997.

PRC Preparing To Set Up Court

HK2104061595 Hong Kong EASTERN EXPRESS in English 21 Apr 95 p 1

[By Rain Ren in Beijing and Wing Kay Po]

[FBIS Transcribed Text] China is preparing to take unilateral action to set up its own court of final appeal, despite the continuing Sino-British diplomatic talks on the issue. The Preliminary Working Committee (PWC) is drawing up a plan to establish the court in Hong Kong on July 1, 1997, according to the PWC's group on constitutional affairs, which met yesterday in Beijing.

The move comes after the British Foreign Secretary, Douglas Hurd, and the Chinese Foreign Minister, Qian Qichen, made little progress on the issue during their meeting in New York early this week, and after the Sino-British Joint Liaison Group failed to reach agreement at its last meeting.

Leung Chun-ying, the group's Hong Kong leader, said the PWC's discussions were based on the 1991 deal between the two countries and the relevant resolutions in the Basic Law and the Joint Declaration. The discussions had nothing to do with the Hong Kong Government's proposed draft legislation, Leung said.

Leung said the group would decide next month, when it meets in Hong Kong, whether the PWC should prepare a separate draft bill for the preparatory committee which is to be established early next year. Decisions are also expected during the May meeting on the composition of the court, qualification of judges, jurisdiction, trial procedure, procedure and appointment of judges, their tenure of office, removal and resignation.

Leung said the group would report its proposal to the National People's Congress Standing Committee in June. The group's mainland leader, Xiao Weiyun, said members agreed that the PWC had the responsibility to draw up a plan for the preparatory committee so that the special administrative region government, once established, could have a complete and independent judicial system.

Xiao said members agreed that Britain should strictly abide by the 1991 agreement. "Other aspects on which Britain and China didn't reach an agreement, such as the judiciary, contentious legal procedures, the appointment of judges ... should be further discussed between the two sides," Xiao said.

Last night, the Director of Administration, Richard Hoare, said he would be "interested" to see the draft legislation proposed by the PWC. "If they are going to take only one month to draft the bill, either it is going to be a very short bill or they will be working very hard.

"I'm not quite sure who on the PWC is qualified as a legal draftsman.

"Perhaps they will be having some help somewhere," he said. Hoare said he still hoped positive results would come out of next week's expert talks on the issue.

More on PRC's Intentions

HK2304083495 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 23 Apr 95 p 2

[By Catherine Ng in Beijing and Kit Yau]

[FBIS Transcribed Text] A senior Chinese official yesterday said China was preparing to go it alone with setting up a Court of Final Appeal (CFA), if the British unilaterally try to do so.

Chen Zuor, China's chief negotiator on the issue, said Britain had forced Beijing to adopt the "dual tactics" of making separate plans in the Preliminary Working Committee (PWC), while Joint Liaison Group (JLG) negotiations on the issue were under way.

"Under the existing circumstances, we cannot but prepare for both eventualities because the British side has refused to promise they will not take unilateral action," he said.

The PWC's political affairs subgroup has begun preparatory work on establishment of a court without the help of the Hong Kong Government. Last week it said this could be in place well before July 1, 1997.

Mr Chen's comments were the first admission by a Chinese official that Beijing was adopting a "dual tactics" approach.

Two days of JLG expert talks on the issue are expected this week, with Mr Chen saying they will begin tomorrow, but Director of Administration Richard Hoare says a date has yet to be fixed.

China's threat to set up the CFA came amid indications the Hong Kong Government would delay tabling its CFA bill in the Legislative Council until after the visit to Beijing by the president of the Board of Trade, Michael Heseltine, on May 13-19.

The Government denies any connection between the two events.

Chief Secretary Anson Chan Fang On-sang hinted yesterday no unilateral action was imminent. While warning "there is not much time left", she stressed the Government's desire to give every possible opportunity to the Chinese to comment on the bill.

Mrs Chan said this week's talks were not a deadline for agreement, but said she hoped Beijing would give its blessing to the bill shortly after them.

A source in London said no final decision had been made on when to table the bill, but it was almost inconceivable any unilateral action would be taken until Mr Heseltine's trip was out of the way.

The visit is the first by a senior British minister since the political reform row, and already has been delayed for more than six months due to differences over Hong Kong.

Mr Heseltine will be accompanied by up to 150 business leaders, and officials in London are anxious nothing be done to upset a visit they believe will boost British trade with China.

Government Information Co-ordinator Kerry McGlynn last night denied any link between the visit and timing for the tabling of the CFA bill.

The Government originally planned to present the bill in January but postponed this until late April in the hope of reaching agreement with the Chinese.

A further delay, until after the Heseltine trip, means the bill cannot be tabled until May 24 or May 31—leaving legislators barely two months to discuss it before they recess in late July.

'Special Article' on Appeal

HK2404080895 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0710 GMT 23 Apr 95

["Special article" by Shi Qingbin (2457 3237 1755):
"Why Are the Sino-British Talks on the Court of Final Appeal Deadlocked?"]

[FBIS Translated Text] Hong Kong, 23 Apr (ZHONGGUO TONGXUN SHE)—The Chinese side and the British side have agreed to start another round of expert talks on 24 April to discuss the issue of setting up the court of final appeal in Hong Kong. After many rounds of talks, the two sides have at present still failed to reach agreement on this issue. Why?

In 1991, the two sides reached a principled agreement on the issue of setting up the court of final appeal in Hong Kong, and hoped that it would be set up at an early date.

However, the Legislative Council, manipulated by the British Hong Kong authorities, voted down the agreement reached by the Chinese and British Governments in 1991, and then shelved the issue. The British side did not give the Chinese side the draft bill on setting up the court of final appeal until May 1994. After that, the draft was revised many times, and this delayed the Chinese side's consideration of the bill.

Even so, the Chinese side still made a positive response to the establishment of the court of final appeal in Hong Kong. These Chinese experts studied the British side's revised bill intensively, discussed a series of substantial issues concerning the establishment of the court of final appeal, and put forth their constructive opinions.

The British Hong Kong authorities did not give the Chinese side the new revised draft of the agreement on the court of final appeal until January this year. Because the Sino-British agreement in 1991 only specified the ratio of judges in the court of final appeal, and they did not discuss more complicated issues such as the scope of judicial administration, legal procedures, the procedure for appointing judges, and the mechanism for follow-up measures after the reaching of a verdict, the Chinese side still needed time for study.

However, the British side set a time limit for the bilateral talks and created obstacles. They did not give the Chinese side the revised draft of the act on the court of final appeal until January, and at the same time planned to bring the bill to the Legislative Council in April in order to complete the legislative procedure by the end of July.

For a long period of more than two years in the past, the British side deliberately postponed the handling of affairs concerning the court of final appeal. Now, they dished out their bill and then continuously exerted pressure on the Chinese side by urging the Chinese side to make a decision in a short period of three to four months. Obviously the British side was just trying to

force the Chinese side to accept its arrangements totally and to not allow the Chinese side to take time to study the bill in detail.

The British side again and again rejected the Chinese side's proposal that the bill would not be brought to the Legislative Council before agreement was achieved between the two sides, and even refused to promise not to take any unilateral action before the two sides reach agreement. This obviously showed that the British side was again trying to act according to its own will when encountering the Chinese side's objections.

The Chinese Foreign Ministry pointed out: The Chinese side holds that the issue of the court of final appeal in Hong Kong should be handled strictly in accordance with the Sino-British agreement in 1991. If the British side takes unilateral action, then it will be a violation of the 1991 agreement. A court of final appeal established in this way will not be able to exist beyond 1997. This is what the Chinese side does not want to see.

Hong Kong people hope that the Chinese and British sides will reach agreement so that the court of final appeal will be set up in keeping with the Basic Law and the 1991 agreement and will be conducive to Hong Kong's smooth transition. It is hoped that the British side will give up its intention of going its own way and will sincerely do something good for Hong Kong people.

Brittan Comments

HK2404095395 Hong Kong SOUTH CHINA
MORNING POST in English 24 Apr 95 p 1

[By Linda Choy]

[FBIS Transcribed Text] The proposed Court of Final Appeal would form the basis of European confidence in the future of Hong Kong and the implementation of the Sino-British Joint Declaration, top Chinese official Lu Ping has been told.

Concluding his six-day visit to China, European Commission Vice-President Sir Leon Brittan said a quick agreement would build the European Union's confidence.

He conveyed the message to China during a meeting with Mr Lu, Director of the State Council's Hong Kong and Macao Affairs Office.

He said early setting up of the court would help bolster the EU's confidence in the implementation of the Sino-British accord.

"I do stress to Mr Lu that the European Commission as a whole is in strong support of the implementation of the Joint Declaration," Sir Leon said.

"The European Commission's confidence will be greatly assisted if the two sides resolve the appeal court issue early."

But China yesterday reiterated warnings against any unilateral move to table legislation on the appeal court.

In an article yesterday, the semi-official Hong Kong China News Agency criticised Britain for giving China only four months to consider the complicated bill and should not introduce it without an agreement. [sentence as published]

Reportage Views Proposed Privacy Law

'Legal Experts' View Law

HK2304083195 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 23 Apr 95 pp 1, 2

[By Quinton Chan]

[FBIS Transcribed Text] Press freedom in Hong Kong will be under threat if a proposed privacy bill becomes law, legal experts warn.

They said the Data Protection (Privacy) Bill could be used to force reporters to disclose sources and face seizure of secret files, and could allow the Government to transfer a person's political file to another country such as China.

Legislators, legal experts and journalists' groups are calling for greater safeguards to be built into the bill, tabled in the Legislative Council last Wednesday.

The draft legislation is based on recommendations in a Law Reform Commission report produced in October. It says all personal data must be collected "by means which are lawful and fair in the circumstances of the case", and provides that anyone who breaches this clause, and causes damage to another person, can be prosecuted.

News media are not exempt from the section, although they are from two other fundamental parts of the bill concerning the right of access to personal data and its use.

Legal expert Dr Nihal Jayawickrama said news organisations sued under this section might find it impossible to prove they acquired information in a fair and lawful manner, without revealing confidential sources.

"This law allows the Government to control the press. It will hinder and hamper the gathering of information," he said.

"This will make it difficult for the Hong Kong media to remain active and independent."

Dr Jayawickrama said it would be a dangerous weapon in the hands of a "maladminstrated" government.

Legislator Anna Wu Hung-yuk warned the Government could use this section to gag the press, and prevent it revealing scandals within the administration. Ms Wu, also a lawyer, said a reporter who tried to protect a source by remaining silent would risk being jailed for contempt of court.

"The dangers from this law would be greater after 1997. The existing Government may not use this power to undermine the freedom of press, but we can't guarantee the future government will not do so," she said.

Legal experts claimed press freedom also would be put at risk by the wide-ranging powers the bill would confer on a new privacy commissioner, to enter premises and summon witnesses to obtain evidence.

Hong Kong Journalists' Association vice-chairman, Daisy Li Yuet-wah, said a reporter might sometimes need to break the law to get information in the public interest.

She said it would be highly dangerous to allow the commissioner to enter a press room and collect evidence, including information yet to be published.

Dr Jayawickrama, a lecturer at the University of Hong Kong's Law Faculty, called for the media to be totally exempted from the bill.

"The Government should distinguish between data users and the press. The former use information for private purposes while the latter collect their data in the public interest," he said.

Principal Assistant Secretary for Home Affairs, Robin Mcleish, said the Government would review the situation if there was sufficient concern.

He denied the bill posed a threat to journalists, insisting it struck the balance between press freedom and the right to privacy.

Mr Mcleish said a full exemption of the press would create a major loophole for data protection.

"From an individual's point of view, why should journalists be exempted?" he said.

"There will be a potential loophole. Somebody might use the press as a cover and do things which violate this bill, and make it hard for the commissioner to investigate."

Under the new law, the Governor and the Chief Secretary can terminate a commissioner's investigation on the grounds that it involves international relations.

"Does this mean the Government can pass a person's file, especially with his political background, to another country without hindrance? That is a very big loophole that the Government should change," Ms Wu said.

Mr Mcleish said the section, which is similar to that in Britain's Data Protection Act, had to balance the public interest against the right to privacy.

"The public as a whole has an interest in maintaining security and the international relations of Hong Kong. We believe we have struck a good balance," he said.

Editorial Views Potential Worries

HK2304083395 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 23 Apr 95 p 12

[Editorial: "How To Protect Privacy and a Free Press"]

[FBIS Transcribed Text] Balancing the right of privacy against the protection of a free flow of information is never an easy task. Nowhere is this clearer than in Britain, where press freedom is constantly cited as the reason for allowing tabloid newspapers to grossly intrude into the private lives of whoever they wish.

Many countries, such as the U.S., have struck a balance by enacting both privacy protection and access to information legislation.

Unfortunately, in Hong Kong, that is not an option since the Government has ruled out a freedom of information law.

However, this only increases its obligation to ensure that the Data Protection (Privacy) Bill, which was tabled in the Legislative Council [Legco] last week, does nothing to jeopardise press freedom in the run-up to 1997.

No one denies such a law is needed. Hong Kong lags behind most developed states in having no legal right to check and amend inaccurate personal files.

The Government recognises the media's special position. No free press could survive if journalists were forced to reveal personal data they were gathering for a story. That is why the media are exempt from this requirement of the bill.

But, as we reveal today, the media has been left unprotected against other parts of draft legislation, despite the serious threat they pose.

The safeguarding of a source is fundamental to press freedom. In many countries, journalists have gone to jail rather than breach this cardinal rule of the profession.

But now, in Hong Kong, someone could be about to go the same way since, in its present state, the privacy bill does not exempt the press from its requirement that data users prove information has been collected "by means which are lawful and fair".

Usually, this can only be done by revealing a confidential source. Equally serious, are the sweeping powers conferred on a new privacy commissioner, which would allow him to enter newsrooms and even seize a reporter's notes.

Equally worrying is the provision allowing the Government to transfer personal data out of Hong Kong—which raises the post-1997 spectre of political files being ferried up to Beijing.

Legco's scrutiny of the bill has barely begun, and many of these loopholes may be plugged before it becomes law.

The Government has even expressed a willingness to consider such changes, if sufficient concern is shown.

But the question remains of why they were ever included in the bill. Hopefully it was just an oversight, a failure to consider the draconian use to which such sweeping powers could be put after 1997.

The more worrying possibility is that the Government is well aware of the full implications of these provisions and would have been happy to have an extra power available with which to control the media in the difficult 800 days that lie ahead in the run-up to the handover.

The Government also seems to be reneging on its pledge to amend all laws which affect press freedom. Just last October, the Governor, Chris Patten, pledged to tackle 37 such provisions by this summer—a target which the administration now admits is unlikely to be even half-met.

If the new privacy bill is not to be added to this list of unwelcome signs of a more authoritarian administration, then the Government must take the initiative in the forthcoming Legco hearings on the Privacy bill and propose amendments that ensure there is not the slightest danger of it threatening press freedom...now, or in the future.

PWC's Economic, Law Experts Meet in Beijing

OW2204142395 Beijing XINHUA in English 1409
GMT 22 Apr 95

[FBIS Transcribed Text] Beijing, April 22 (XINHUA)—The members of the Economy and Law panels of the Preliminary Working Committee (PWC) for the Preparatory Committee for the Hong Kong Special Administrative Region held their 15th and 12th sessions here Friday and Saturday respectively.

The economic experts discussed the economic and trade coordination between the mainland and Hong Kong, the protection of investment by Hong Kong businessmen, and the tabulation of trade statistics by the two sides after the transfer of Hong Kong in mid-1997.

The experts also discussed business arbitration based on the fact that Hong Kong has its own legislative and executive rights after the 1997 transfer, and that the existing laws will change little. They also exchanged views on the protection of intellectual property rights in Hong Kong after 1997.

In addition, the experts talked over preparatory work for a symposium to be held in Hong Kong May 18, which is aimed at enhancing the position of Hong Kong as an international financial center. Ten leading financial personages from the mainland, Hong Kong and other places will be invited to give speeches at the symposium.

The law experts discussed existing regulations in Hong Kong concerning smoking in public places, banking, the

marine park, public health and public facilities. They were of the opinion that these regulations can remain in effect after 1997.

It was decided that the Law Panel will hold its 13th session from May 14 to May 15 in Hong Kong.

Rules on Post-1997 Chinese Citizenship Outlined

HK2204084395 Hong Kong EASTERN EXPRESS in English 22 Apr 95 p 1

[By Rain Ren in Beijing and Leo Law]

[FBIS Transcribed Text] A mainland official has defined more clearly who China will consider as a Chinese citizen in Hong Kong after 1997.

Shao Tianren, a mainland leader of the Beijing-appointed Preliminary Working Committee's (PWC) legal subgroup, said the group had come up with four categories of people who may be regarded as Chinese citizens after 1997 following a preliminary exchange of views by the group.

The categories are: holders of the British National (Overseas) passport; Chinese who originally come from the mainland and have ordinarily resided in Hong Kong for consecutive seven years; persons who have obtained British nationality through the British nationality scheme, and those who were born in, and are living in, Hong Kong but hold a foreign passport.

The definition of Chinese citizenship after 1997 will affect who will obtain the right of abode in Hong Kong and also who will be given the right to obtain Special Administrative Region (SAR) passports.

While the question of right of abode has been studied by the Sino-British Joint Liaison Group (JLG), the two sides have failed to reach an agreement because China has insisted on defining Chinese citizenship.

The legal sub-group also categorised the following three kinds of people as non-Chinese.

They are: persons of foreign nationalities; ethnic Chinese holding foreign passports who were born in foreign countries and have resided there for a certain period of time and who have returned to Hong Kong; and persons without nationality, for example descendants of ethnic Indians and Pakistanis born in Hong Kong.

Shao said the categorisation is not final and further study would be needed.

He said the group would focus in the later half of the year on the issue of how to apply the Chinese-nationality law in Hong Kong after the 1997 hand-over.

The Director of Immigration, Lawrence Leung, will go to Beijing next month to brief members of the security sub-group on the right-of-abode issue.

Yesterday the group also screened eight existing Hong Kong laws concerning Hong Kong's defence and police and declared four of them invalid after 1997 because they breach the Basic Law.

Survey Predicts Defeat of Top Legislators

HK1604071495 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 16 Apr 95 p 2

[By Quinton Chan]

[FBIS Transcribed Text] Top Democratic Party and Liberal Party legislators face defeat in September's Legislative Council elections, according to a comprehensive new survey of voting trends in the 20 contested constituencies. Staff and students at Chinese University spent three months on the report, which claims Liberal Party chairman Allen Lee Peng-fei will lose in Tai Po, while fellow party member Selina Chow Liang Shuk-yee faces defeat in Kowloon's Yau Tsim Mong seat. Meanwhile, the Democratic Party is set to lose legislators Fred Li Wah-ming, the Reverend Fung Chi-wood and Zachary Wong Wai-yin unless they can rally support by turning the poll into a battle with Beijing. However the report, Political Market—Strategy and Consolidation—based on interviews with 300 politicians—paints a brighter overall picture for the Democrats, claiming they are virtually assured of nine of the 20 seats to be contested on September 17, while the pro-Beijing Democratic Alliance for the Betterment of Hong Kong (DAB) can be sure of winning three. Three seats seem certain to go to independent candidates, while the battle for the rest is still too close to call, the report says. It finds the DAB has a strong base in Wong Tai Sin, Tai Po and Kwun Tong, but says its secretary-general, Cheng Kai-nam, still faces defeat in Hong Kong Island's Southern District by Democratic Party vice-chairman, Dr Yeung Sum.

The report's conclusions will disappoint Mr Allen Lee who, despite more than one year of grassroots work in the area, has not won the support of Tai Po leaders. Although he has forged an alliance with the Liberal Democratic Federation (LDF), it is unlikely this will

hold if DAB chairman Tsang Yok-sing also stands, as is likely. "The local LDF leaders are likely to support Mr Tsang despite this agreement," said Dr Stephen Tang Lung-wai, who conducted the survey. The study suggests Mr Fung, the sitting Democratic Party legislator in the district, will also have difficulty retaining his seat. It also predicts Mrs Chow's chances in Yau Tsim Mong are slim since she has failed to build up a strong support base in the largely commercial area. She is expected to run against the Democratic Party's James To Kun-sun and Daniel Wong Kwok-tung of the Association for Democracy and People's Livelihood.

The report says Mr Cheng's expected defeat in Southern District—he also lost to Dr Yeung in the 1991 elections—will come about despite the support of influential Urban Councillor Joseph Chan Yuek-sut. It claims Mr Chan's supporters are mostly Catholic and unlikely to support a pro-Beijing candidate. It concludes that two Democratic Party legislators are also in danger of defeat: Fred Li is likely to lose to DAB vice-chairman Tam Yiu-chung in Kwun Tong; while Zachary Wong will forfeit his seat to independent Tang Siu-tong in Yuen Long. But Dr Tang, a lecturer in sociology at Chinese University, said the Democrats had a chance of retaining these seats if they convinced the public the polls should be treated as a "holy war" ahead of the handover. "They have to make people reflect their resistance to Beijing in the way they vote, otherwise their days of winning a majority in direct elections will be over," he said.

The study found most other well-known legislators would retain their seats with little difficulty. Democratic Party chairman Martin Lee Chu-ming will win comfortably in Hong Kong Island's Eastern District, as will fellow democrat Szeto Wah in Kowloon East, and independent Emily Lau Wai-hing in Sha Tin. Appointed legislator Christine Loh Kung-wai is expected to triumph in Happy Valley. But the report predicts none will be elected uncontested, as other parties will send candidates to oppose them, simply to prevent those assured of success from diverting all their resources into campaigning in the more keenly contested seats.

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